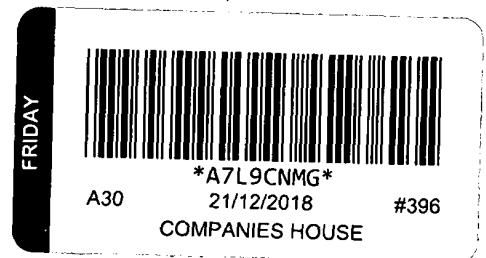


AIM HIGH ACADEMY TRUST
FINANCIAL STATEMENTS
31 AUGUST 2018

(A company limited by guarantee)



**REG. OF CO.'S
COPY**

ArmstrongWatson®
Accountants, Business & Financial Advisers

AIM HIGH ACADEMY TRUST
(A company limited by guarantee)

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AIM HIGH ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

P Dutton
J Westwater
C Gill (resigned 2 February 2018)
I Green (resigned 12 December 2018)
S Edgar
N MacKnight (appointed 22 May 2018)

Trustees

P Dutton, Chair of Governors
J Westwater, Chair of Finance & Premises
G Stephenson, CEO and Accounting-Officer
J Moran, Executive Business Manager (resigned 25 January 2018)
J Thomson (resigned 7 January 2018)
J Walvin (resigned 19 November 2018)
J Milner, Vice Chair
D Shearsmith (resigned 31 October 2017)
J Foster (appointed 22 May 2018)
S Morrison (resigned 25 January 2018)

Company registered number

08842629

Company name

Aim High Academy Trust

Principal and registered office

Newbottle Primary Academy, Houghton Road, Houghton Le Spring, Tyne & Wear, DH4 4EE

Chief executive officer

Graham Stephenson

Senior leadership team

G Stephenson, CEO
C Shield, Headteacher
S Morrison, Headteacher
E Monaghan, Headteacher
D Shovlin, Improvement lead
N Burn, Improvement lead
K Erskine, Assistant headteacher
K Heath, Assistant headteacher
P Bennett, Assistant headteacher
S Richardson, Assistant headteacher
E Todd, Assistant headteacher
J Moran, Executive business manager

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018

Advisers (continued)

Independent auditors

Armstrong Watson Audit Limited, York House, Northallerton, North Yorkshire, DL6 2XQ

Bankers

Lloyds Banking Group, 54 Fawcett Street, Sunderland, Tyne and Wear, SR1 1SF

Solicitors

Samuel Phillips Law Firm, Gibb Chambers, 52 Westgate Road, Newcastle Upon Tyne, NE1 5XU

AIM HIGH ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and the auditor's report of the charitable company for the period 1st September 2017 to 31st August 2018. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Trust operates 3 primary academies in Houghton le Spring. Its academies have a combined pupil capacity of 990 primary aged children and had a roll of 911 in the school census May 2018.

Structure, governance and management

a. CONSTITUTION

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's trust deed is the primary governing document of the academy trust.

The Trustees of Aim High Academy Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Aim High Academy Trust.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

b. 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.

c. TRUSTEES' INDEMNITIES

Every trustee of the academy trust shall be indemnified out of the assets of the academy trust against any liability incurred by him/her in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he is acquitted or in connection with any application in which relief is granted by the court from liability for negligence default, breach of duty or breach of trust in relation to the affairs of the academy trust.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

Membership is determined in accordance with the composition set out in Articles 45-56 of the Articles of Association and shall comprise of:

- Up to 12 trustees, appointed under Article 50
- Any staff trustees, if appointed under Article 50AA and subject to Article 50B
- The Chief Executive Officer, if appointed under Article 57; and
- A minimum of 2 parent trustees appointed or elected under Articles 53-5D unless there are local governing bodies each of which includes at least 2 parent members.
- The academy trust may also have any co-opted trustee appointed under Article 58.

The term of office for any trustee shall be 4 years. Trustees are permitted to stand for re-election at the meeting at which they retire, should they remain eligible to do so. New trustees are recruited in accordance with the Trust's Article of Association and the relevant funding agreement.

AIM HIGH ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The Chair of the academy trust is a National Leader of Governance and carries out a comprehensive induction programme with new appointments which includes face to face meetings with key members of the board of trustees and the relevant senior leadership team. A programme of CPD runs throughout the year – trustees and governors are encouraged to participate in relevant training arranged by external training providers. During the period trustees attended various external training including safeguarding.

f. ORGANISATIONAL STRUCTURE

The structure consists of two levels: Trustees/Governors (including separate committees) and Senior Leadership Team (SLT).

The Trustees are responsible for determining strategic policy, adopting an annual Improvement Plan following a self-evaluation review, monitoring the practices adopted by the academy trust, determining the strategic direction of the academy trust, capital expenditure and senior staff appointment.

The Senior Leadership Team consists of the Chief Executive, Headteachers, Assistant Headteachers, Improvement Leads and the Executive Business Manager. The SLT controls the academy trust at an executive level, implementing the policies laid down by the Trustees and reporting back to them.

The Headteachers and Trustees are responsible for the authorisation of spending within agreed budgets and the appointment of staff as stated in the scheme of delegation and the academy trust's financial regulations manual. The Executive Business Manager is responsible for the management of the financial systems, sourcing additional funds and ensuring efficient and effective use of resources. The Executive Business Manager is responsible for the authorisation of spending up to agreed limits as stated in the scheme of delegation and the financial regulations manual, alongside the management of some support staff, facilities staff and the efficient operation of the school office. The Chief Executive is the Accounting Officer for the Academy Trust.

g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

During the period, the arrangements for setting the pay and remuneration of the academy trust's key personnel have followed recognised procedures – the Chief Executive and Headteachers' salaries were paid in accordance with national guidelines in respect of the size of school and number of pupils. All other personnel are paid in line with nationally recognised pay scales and agreed by trade unions. Performance Management has been rigorous and personnel have only been awarded an increase if targets have been met. The academy trust's personnel committee meet to discuss and agree any pay policies and remuneration awarded to individuals.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

h. TRADE UNION FACILITY TIME

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	2

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

	£
Total cost of facility time	39
Total pay bill	3,907,088
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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i. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

All members/trustees/governors are required to declare any business interests that may impact on the academy trust. During the financial period 1 September 2017 – 31 August 2018 two trustees and one local governor declared an interest and the academy trust employed its recognised procedures to address this. The adopted policy is that if any interests are declared then the trustee will remove themselves from relevant decision making processes. All such declarations and decisions are detailed in the minutes of Governing Body meetings. Related parties to Aim High Academy Trust for the period 1.9.17 to 31.8.18 are Pat Dutton and Janet Foster both trustees (self-employed assessors) and Chris Hall (local governor at Newbottle Primary – self-employed outdoor education/maintenance provider).

A register of declared business interests is published on the trust's website and further information is held on file at the relevant academy.

AIM HIGH ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Objectives and Activities

a. OBJECTS AND AIMS

The principal objective and activity of the charitable company is the operation of Newbottle Primary, Dubmire Primary and Gillas Lane Primary to provide education for pupils of different abilities between the ages of 3-11 years old. We aim for a thirst for, and enjoyment of, learning for everyone.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

When setting the objectives, the Trustees have given careful consideration to how strategy is formed in relation to the Charity Commission's general guidance.

The academy trust aims to provide a curriculum which is:

- Relevant to the children's interests and locality
- Exciting, fun and enjoyable which in turn stimulates learning
- Flexible to allow the needs of all learners to be met

Although sharing some commonalities, each individual academy has a bespoke curriculum.

We want our curriculum to:

- Raise standards and achievement
- Build confidence
- Allow experiential learning
- Enhance basic skills throughout
- Raise self esteem and aspirations of learners
- Give children control of their own learning and to explore their own interests
- Promote investigation and problem solving skills for learners to become independent
- Use assessment to develop learning

c. PUBLIC BENEFIT

The charitable purpose of the trust relates to the provision of early years and primary education to children within our local community. All material decisions made during the period have been consistent with the purposes of the trust and, where necessary, have been made to minimise risks of detriment to our beneficiaries and the public in general. The trustees confirm they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives in planning future activities.

Achievements and performance

Strategic report

a. KEY PERFORMANCE INDICATORS

The academy trust has directed school funding to secure the best possible outcomes for all pupils, particularly those accessing pupil premium funding and all group learners. This has been done by targeting the expertise of staff to children's educational needs. Targeted intervention measures are established at the earliest opportunity and progress of all children is tracked rigorously. The staffing structure is regularly reviewed to ensure children receive a high-quality education.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Key Performance Indicators: Newbottle

KS1	At expected standard	At greater depth
Reading	80%	27%
Writing	78%	17%
Mathematics	83%	20%
KS2		
Reading	80%	31%
Writing	80%	22%
Mathematics	81%	32%

Key Performance Indicators: Dubmire

KS1	At expected standard	At greater depth
Reading	72%	10%
Writing	66%	0%
Mathematics	76%	9%
KS2		
Reading	80%	37%
Writing	88%	25%
Mathematics	85%	29%

Key Performance Indicators: Gillas Lane

KS1	At expected standard	At greater depth
Reading	72%	17%
Writing	61%	17%
Mathematics	72%	28%
KS2		
Reading	72%	6%
Writing	83%	11%
Mathematics	72%	17%

The main financial performance indicators of the trust relate to the management of spending against General Annual Grant (GAG) and the use of these funds for the benefit of the pupils in our academies. It is the trust's policy that, in general terms, the income received in any one year is spent for the benefit of those children attending school during that academic year.

The board of trustees has a robust strategy in place to mitigate financial pressures faced by all academies during 2017-18 and beyond. Budgets are closely monitored, and spending is linked to school improvement plans and trust objectives with the aim of improving outcomes for pupils. Trustees aim to achieve further economies of scale through the streamlining of processes to enable savings to be reinvested into the academies within the trust. Funding is based on pupil numbers and these are closely monitored. Newbottle Primary stands at 98.6% capacity, Dubmire Primary 86.4% capacity and Gillas Lane at 89% capacity. There are several new housing developments within the Houghton le Spring area and trustees are keen to signpost new families to our academies with pupil spaces.

Financial performance indicators include:

- All spending is appropriate and supports the common goal of improving educational outcomes
- No trustee/governor/employee has benefitted personally from the use of these funds
- Payroll services fully meet tax obligations
- There is probity in the use of public funds
- Competitive tendering is in place
- Regular reviews of projected and actual pupil numbers and staffing requirements take place

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Funds received by the trust follow the accepted principles of regularity and best practice. Internal control is rigorous with internal audit reviews carried out each term and a full external audit of the main financial statements carried out on an annual basis. During the period ending 31 August 2018, all action points relating to internal audit were classified as low risk and have been addressed within recommended timescales.

During the period ending 31 August 2018 staffing costs (excluding defined benefit pension costs) represented 79% of restricted income. Staffing levels are regularly reviewed in line with need and available funding.

b. 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

a. RESERVES POLICY

Most of the trust's income is obtained from the Education and Skills Funding Agency in the form of recurrent grants, most of which is restricted to particular purposes. The grants received from the ESFA for the period ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy trust also receives Early Years grant funding and Special Educational Needs funding for high needs pupils, the use of which is also restricted to particular purposes.

During the year ended 31 August 2018, total income was £5,774 (2017: £11,080k of which £5.887k related to exceptional balances). Total expenditure totalled £5,978. All of the expenditure shown in the Statement of Financial Activities is in furtherance of the trust's objectives.

At 31 August 2018, the net book value of tangible fixed assets was £9,732k, and movements in tangible assets are shown in note 15 to the financial statements. The assets were used exclusively in providing education and associated support services to the pupils of the academies within the trust.

The implications of FRS 102 'Retirement Benefits' have been applied in full resulting in a deficit of £1.08k (2017: £1,281k) recognised in the balance sheet.

The trust held fund balances at 31 August 2018 of £9,211k (2017: £9,116k), comprising £9,712k of restricted fixed asset funds (2017: £9,971k), £691k unrestricted income funds (2017: £280k) and a deficit of £1,193k (2017: £1,135k) on restricted funds.

The trustees have adopted the following policies relating to finance and governance during 2017-2018:

- Scheme of Delegation
- Financial Regulations Manual
- Treasury Management & Investment

The Academy reserves are presently being held to fund building improvements, facilities and services and an element to provide sufficient working capital to cover delays between spending and receipt of grants including a contingency to deal with unexpected emergencies such as urgent maintenance.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Reserves Policy

The trustees review the level of financial reserves of the academy 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 Trustees will ensure that the level of reserves that can be carried forward at the end of the financial period will be in line with the guidance received from the DfE on the treatment of the General Annual Grant (GAG) income and other grants.

The trustees aim to match income with expenditure and carry forward reserves they consider necessary for future periods of expenditure. The trustees also aim to carry a prudent level of reserves designed to:

- cover working capital requirements (forming part of restricted and unrestricted general funds)
- act as a contingency to meet unforeseeable expenditure (forming part of restricted and unrestricted general funds)
- fund planned and specific future capital expenditure (forming part of the restricted fixed asset fund)

The level of reserves is reviewed annually by the trustees and they assess it in relation to these 3 purposes; however, the level of actual reserves will vary from one academy to another from time to time. The trustees consider that the level of reserves held at 31 August 2018 is consistent with the reserves policy outlined above.

During the period to 31 August 2018 reserves have been used to fund building modification at Dubmire Academy to establish a trust central office base, a new VOIP telephone system across the trust and the establishment of a forest school at Dubmire Academy. A new roof at Gillas Lane Academy was funded by Condition Improvement Funding from ESFA.

Budgets are set for each academy with a view to being balanced each year whilst supporting the aims and goals of each individual setting at sustainable levels. Where an individual academy is unable to set a balanced budget, trustees will determine whether reserves are to be used as a contingency or whether expenditure must be reduced to within an acceptable level.

Free reserves are represented by the unrestricted funds balance as at 31 August 2018.

As at 31st August 2018, the level of Trust reserves held in restricted funds not available for general education purposes is a deficit of £(111,673) plus a balance of unrestricted general funds £691,263 giving available free reserves of £579,590. The Trustees will continue to regularly monitor these reserve levels to ensure they provide sufficient working capital to cover the aims and objectives of the larger multi academy trust.

b. MATERIAL INVESTMENTS POLICY

Under the Memorandum and Articles of Association, the academy trust has the power to invest funds not immediately required for its own purposes, in any way the trustees see fit. The academy trust operates an interest bearing current account with a bank approved by the board of trustees and has a positive cash balance to cover eventualities and unforeseen expenses. The trustees have adopted a Treasury Management and Investment policy - the banking facilities are reviewed on a regular basis. The academy trust has no funds invested as at 31st August 2018.

c. PRINCIPAL RISKS AND UNCERTAINTIES

The Business Manager has worked closely with accountants, internal audit providers and the School Finance Team to ensure that financial systems are secure.

The principal risk to the trust is changes to funding formulae and falling pupil rolls as funding is based on pupil numbers. Pupil numbers may also be affected by the reputation of the trust; however, our pupil numbers are consistently high with few spaces available. Trustees do not consider this to be a high risk. The three academies within the trust are new academies with only one, Newbottle Primary, being inspected since conversion. Newbottle Primary is currently rated Good.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Strategies to develop middle and senior leaders have been implemented across the trust. All academies have a full complement of senior leaders. Staffing is stable and allows academies to focus on improving outcomes for pupils and school improvement. Restructures are to be undertaken during 2018-19 to ensure sustainability. The expectation of the Trust is that all academies produce in-year balanced budgets.

In addition, the trust is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant liability on the trust's balance sheet. There is a risk the future contribution levels will increase, which is outside the trust's control.

The pension surplus or deficit does not constitute an immediate liability or realisable asset and does not mean that the equivalent amount is already committed or no longer available to the Trust. The presence of a pension surplus or deficit will generally result in a cash flow effect for Aim High Academy Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Trust is confident it can meet the required pension contributions from projected future income without significantly impacting upon its planned level of activities, however challenging this may be, Aim High Academy Trust continues to calculate its reserves without setting aside a designated reserve to cover the pension liability.

Fundraising

Aim High Academy Trust does not employ a professional fundraiser or commercial participator to fundraise on behalf of the trust. General small-scale fundraising events are held throughout the year by staff and parents in our academies to raise small amounts of money to supplement academy income, i.e. summer fayre/disco etc. These funds are accounted for in unrestricted income.

Plans for future periods

a. FUTURE DEVELOPMENTS

Over-arching themes for the Trust:

In order to improve performance against key performance indicators, we propose to:

- Develop the role of middle leaders/subject leaders to give staff in strategic positions time and influence to develop and change practice
- Refine across the Trust key features of effective behaviours for learning to establish expectations and ensure productive learning environments
- Develop uniformed and standardised assessment tools for the Foundation subjects across the Trust
- Improve the consistency of phonic teaching across the Trust to ensure best practice is replicated in all settings
- Promote meaningful communication with parents and carers so they are aware of support networks and initiatives that will support our most vulnerable learners.

Priorities for our academies:

- EYFS mastery
- Use of outdoor environment
- Foundation subject curriculum
- Leaders/middle leaders
- Kid Safe
- Opel behaviour initiative
- Forest school
- Attendance support
- Reading
- Assessment

AIM HIGH ACADEMY TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Aim High Academy 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 7 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
P Dutton, Chair of Governors	6	7
J Westwater, Chair of Finance & Premises	6	7
G Stephenson, CEO and Accounting Officer	6	7
J Moran, Executive Business Manager	0	0
J Thomson	3	3
J Walvin	5	7
J Milner, Vice Chair	7	7
D Shearsmith	0	0
J Foster	2	2
S Morrison	0	0

Key changes in the composition of the Governance and Board of Trustees

C. Gill has resigned as a Member due to work pressures. Neil Macknight has become a Member.

D. Shearsmith resigned from the Board of Trustees due to personal pressures. J. Moran and S. Morrison (nee Alsop) also stood down as staff Trustees when the board looked to re-align its membership with current DfE recommendations. They both continue to attend meetings for information sharing purposes.

Janet Foster has joined the Board of Trustees. She brings experience and expertise in the areas of education performance, leadership and management in schools as well as Children's Centre Daycare.

Coverage of work

This has been the second year as a multi academy Trust. Much of the work has concerned embedding the structures, systems and processes introduced during the first year.

The Trustees have continued to meet regularly to review the work of the academies within the Trust, their performance, curriculum, finance and personnel.

The committees of the Board of Trustees have received reports relevant to their remit.

The Trustees and Local Governors have completed skills audits in line with the recent 'Competency Framework for Governance'.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

FUNDS HELD AS CUSTODIAN

The academy trust does not hold any funds as custodian trustee on behalf of others.

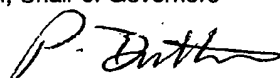
DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 21/2/18 and signed on its behalf by:

P Dutton, Chair of Governors



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GOVERNANCE STATEMENT (continued)

Board's Performance

The Board of Trustees has worked with each academy to ensure there are the right people around the table of local governance as well as staff position improvements across all the academies. Personnel changes, both in leadership, teaching and administrative structures have impacted on finance. Finances are regularly reviewed, and the necessary steps taken to ensure all budgets are kept on target. Reduction in staffing and therefore staffing costs has had to be carried out this year to balance all school budgets.

Information on quality of data

The academies feed pupil performance data to an outside provider who processes and presents data ready for interpretation and presentation to Local Governors of individual academies and the Board of Trustees. Governors have been involved in training on using the data and more is planned for autumn 2017. Financial data and audit information shared with Finance committee of the Board of Trustees.

Trustees have carried out visits to each academy this year and reported back on leadership and management, teaching, learning and outcomes as well as estates and finance. The finance report to Trustees was carried out by the Chair of Finance. External audit reports are also shared with trustees.

In line with recommendations made in the Academies Financial Handbook 2018 we have begun monthly meetings between CEO, Executive Business Manager and Chair of the Trust to review finance and budget updates.

Review of Governance

The Chair of Board of Trustees is a qualified National Leader of Governance (NLG), carries out ERGs with other schools and is therefore aware of areas of challenge for Governors and Governance. This year there has been an informal review of Governance in the form of a Health Check carried out by the Chair and a fellow NLG as part of a pilot for NLGs in the North Region. The outcome was very positive and there were no action items that required urgent action.

"The Trust is well run and CEO and Chair have a good, professional working relationship and it is obvious that they both have the interests of the children from all the academies in the Trust at the centre of all that they do"

Following an Education Consultant led review in January 2018 Dubmire Primary Academy has improved in performance and effectiveness and is now a fully delegated Local Governance Committee. The terms of reference for Dubmire are now on a par with Newbottle and Gillas Lane.

The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees. Its purpose is to ensure efficient and effective use of resources whilst seeking ways to ensure the fabric of the buildings remain fit for purpose and provide a productive learning environment. The last review of governance revealed that there is good participation in decision making by members of the committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Westwater, Chair of Finance & Premises	4	4
P Dutton, Chair of Governors	2	4
J Thomson	2	2
J Walvin	3	4
G Stephenson, CEO and Accounting Officer	4	4

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GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the academy 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 academy'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 has delivered improved value for money during the year by:

- Sharing staff and resources across the trust wherever possible to enable efficiencies to be made
- Ensuring consumables and services are purchased using best value procurement processes
- Tracking and monitoring systems recording all aspects of pupil data including progress through school and to ensure that interventions and support are targeted to achieve value for money.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Aim High Academy Trust for the year 1 September 2017 to 31 August 2018 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 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 ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 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'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 Purpose Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

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

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GOVERNANCE STATEMENT (continued)

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

- Testing of expenditure including reconciliation to bank accounts
- Testing of income recording and processing
- Review of governance structure of the new multi academy trust
- Testing of scheme of delegation and minutes of board and committee meetings

On a timetabled basis, the auditor reports to the board of trustees through the audit committee on 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 Chief Executive Officer 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 auditors;
- the work of the executive managers within the academy 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 and General Purpose Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 12/12/18 and signed on their behalf, by:

P Dutton
Chair of Governors

G Stephenson
Accounting Officer



AIM HIGH ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Aim High Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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 2017.

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.



G Stephenson
Accounting Officer

AIM HIGH ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform 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 company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 12/12/18 and signed on its behalf by:

P Dutton
Chair of Governors



AIM HIGH ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF AIM
HIGH ACADEMY TRUST**

OPINION

We have audited the financial statements of Aim High Academy Trust (the 'academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy 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 academy'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.

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 Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

AIM HIGH ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF AIM
HIGH ACADEMY TRUST**

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 including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' 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 Auditors' 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. This description forms part of our Auditors' report.

AIM HIGH ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF AIM
HIGH ACADEMY TRUST**

USE OF OUR REPORT

This report is made solely to the academy'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's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Karen A Rae

Karen A Rae FCCA (Senior statutory auditor)
for and on behalf of
Armstrong Watson Audit Limited
Chartered Accountants
Northallerton

Date: 19 December 2018

AIM HIGH ACADEMY TRUST
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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO AIM HIGH ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 9th August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Aim High Academy Trust during the year 1 September 2017 to 31 August 2018 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 Aim High Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Aim High Academy 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 Aim High Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF AIM HIGH ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Aim High Academy Trust's funding agreement with the Secretary of State for Education dated 29 September 2016, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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's income and expenditure.

AIM HIGH ACADEMY TRUST
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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO AIM HIGH
ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Karen A Rae

Karen Rae FCCA (Senior statutory auditor)

Armstrong Watson Audit Limited
Chartered Accountants
Northallerton

Date: 19 December 2018

AIM HIGH ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	-	-	230,329	230,329	5,926,099
Charitable activities	3	148,362	4,743,083	-	4,891,445	4,712,178
Other trading activities	4	508,008	5,000	-	513,008	441,104
Investments	5	435	-	-	435	402
TOTAL INCOME		656,805	4,748,083	230,329	5,635,217	11,079,783
EXPENDITURE ON:						
Raising funds	4	25,251	432,083	-	457,334	412,988
Academy trust educational operations		81,522	4,834,407	465,221	5,381,150	5,095,807
TOTAL EXPENDITURE	6	106,773	5,266,490	465,221	5,838,484	5,508,795
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	550,032	(518,407)	(234,892)	(203,267)	5,570,988
		-	105,238	(105,238)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		550,032	(413,169)	(340,130)	(203,267)	5,570,988
Actuarial gains on defined benefit pension schemes	22	-	298,000	-	298,000	935,000
NET MOVEMENT IN FUNDS		550,032	(115,169)	(340,130)	94,733	6,505,988
RECONCILIATION OF FUNDS:						
Total funds brought forward		280,405	(1,135,055)	9,970,670	9,116,020	2,610,032
TOTAL FUNDS CARRIED FORWARD		830,437	(1,250,224)	9,630,540	9,210,753	9,116,020

AIM HIGH ACADEMY TRUST
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REGISTERED NUMBER: 08842629

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Intangible assets	14		28,139		36,839
Tangible assets	15		9,731,590		9,912,612
			<u>9,759,729</u>		<u>9,949,451</u>
CURRENT ASSETS					
Debtors	16	230,164		194,466	
Cash at bank and in hand		801,134		499,733	
		<u>1,031,298</u>		<u>694,199</u>	
CREDITORS: amounts falling due within one year	17	(500,274)		(246,630)	
NET CURRENT ASSETS			<u>531,024</u>		<u>447,569</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>10,290,753</u>		<u>10,397,020</u>
Defined benefit pension scheme liability	22		(1,080,000)		(1,281,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>9,210,753</u>		<u>9,116,020</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	18	(170,224)		145,945	
Restricted fixed asset funds	18	9,630,540		9,970,670	
		<u>9,460,316</u>		<u>10,116,615</u>	
Restricted income funds excluding pension liability					
Pension reserve		(1,080,000)		(1,281,000)	
Total restricted income funds			<u>8,380,316</u>		<u>8,835,615</u>
Unrestricted income funds	18		830,437		280,405
TOTAL FUNDS			<u>9,210,753</u>		<u>9,116,020</u>

The financial statements on pages 23 to 50 were approved by the Trustees, and authorised for issue, on 12/12/18 and are signed on their behalf, by:

P Dutton, Chair of Governors



G Stephenson, CEO and Accounting Officer



AIM HIGH ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>163,037</u>	<u>59,882</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		435	402
Purchase of tangible fixed assets		(64,175)	(136,501)
Purchase of intangible fixed assets		(4,610)	(25,806)
Capital funding received from sponsors and others		-	9,950
Capital grants from DfE/ESFA		<u>206,714</u>	<u>23,631</u>
Net cash provided by/(used in) investing activities		<u>138,364</u>	<u>(128,324)</u>
 Cash transferred on conversion to an Academy Trust		 <u>-</u>	 <u>123,414</u>
Net cash transferred on conversion to an Academy Trust		<u>-</u>	<u>123,414</u>
 Change in cash and cash equivalents in the year		 301,401	 54,972
Cash and cash equivalents brought forward		<u>499,733</u>	<u>444,761</u>
Cash and cash equivalents carried forward	21	<u><u>801,134</u></u>	<u><u>499,733</u></u>

AIM HIGH ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Aim High Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 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 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.

AIM HIGH ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the academy 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 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 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.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

Other trading 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.

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

1.4 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 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's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

AIM HIGH ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.5 Turnover

Turnover comprises revenue recognised by the academy in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.6 Intangible fixed assets and amortisation

Intangible assets costing £100 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

1.7 Tangible fixed assets and depreciation

All assets costing more than £500 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 incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, 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:

Freehold property	- 50 years (integral fixtures to external fabric of buildings 25 years)
Computer equipment	- 3 years

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 incorporating income and expenditure account.

1.8 Debtors

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

1.9 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.

AIM HIGH ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.10 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 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.

1.11 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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 16. Prepayments are not financial instruments. Amounts due to the academy'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 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.12 Taxation

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

1.13 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 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.

AIM HIGH ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

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 incorporating income and expenditure account 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.

1.14 Fund accounting

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

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

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

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 2018. 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.

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2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Transfer from Local Authority on conversion	-	-	-	-	5,886,440
Donations and capital grants	-	-	23,615	23,615	39,659
Capital grants	-	-	206,714	206,714	-
	<u>-</u>	<u>-</u>	<u>230,329</u>	<u>230,329</u>	<u>5,926,099</u>
<i>Total 2017</i>	<u>107,495</u>	<u>(1,322,000)</u>	<u>7,140,604</u>	<u>5,926,099</u>	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA revenue grants	-	4,269,943	4,269,943	4,083,508
Other government grants	-	473,140	473,140	458,223
Subtotal	<u>-</u>	<u>4,743,083</u>	<u>4,743,083</u>	<u>4,541,731</u>
Other income from the academy trust's educational operations	148,362	-	148,362	170,447
	<u>148,362</u>	<u>4,743,083</u>	<u>4,891,445</u>	<u>4,712,178</u>
<i>Total 2017</i>	<u>78,970</u>	<u>4,633,208</u>	<u>4,712,178</u>	

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FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General annual grant	-	3,660,042	3,660,042	3,494,765
Other DfE/ESFA grants	-	609,901	609,901	588,743
	<u>-</u>	<u>4,269,943</u>	<u>4,269,943</u>	<u>4,083,508</u>
Other government grants				
Local authority grants	-	473,140	473,140	458,223
	<u>-</u>	<u>473,140</u>	<u>473,140</u>	<u>458,223</u>
Other funding				
Other income from academy trust's educational operations	148,362	-	148,362	170,447
	<u>148,362</u>	<u>-</u>	<u>148,362</u>	<u>170,447</u>
	<u>148,362</u>	<u>4,743,083</u>	<u>4,891,445</u>	<u>4,712,178</u>
Total 2017	<u>78,970</u>	<u>4,633,208</u>	<u>4,712,178</u>	

4. TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Charity trading income				
Other trading activities	508,008	5,000	513,008	441,104
	<u>508,008</u>	<u>5,000</u>	<u>513,008</u>	<u>441,104</u>
Net income from trading activities	<u>508,008</u>	<u>5,000</u>	<u>513,008</u>	<u>441,104</u>

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Other trading activities

	2018 £	2017 £
Hire of facilities	46,474	34,564
Catering income	1,956	2,489
Music tuition income	14,445	13,400
Uniform income	-	963
Commission	2,155	1,043
University placements	2,200	2,000
Pupil contributions to charities	8,719	3,579
Educational visits	75,561	66,777
Fees - out of school club	138,615	119,408
Day care fees	193,111	173,775
Basic skills quality mark	-	1,990
Income for school activities	29,772	21,117
Total	513,008	441,105

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	435	-	435	402
Total 2017	402	-	402	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income					
Direct costs	168,793	-	288,541	457,334	412,987
Support costs	-	-	-	-	-
Academy's educational operations:					
Direct costs	3,457,386	-	954,846	4,412,232	3,637,980
Support costs	471,815	240,044	257,059	968,918	1,457,826
	4,097,994	240,044	1,500,446	5,838,484	5,508,793
Total 2017	4,005,140	424,781	1,078,873	5,508,794	

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7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Academy's educational operations	4,412,232	968,918	5,381,150	5,095,806
<i>Total 2017</i>	<u>3,637,981</u>	<u>1,457,826</u>	<u>5,095,807</u>	

Analysis of direct costs

	Activities £	Total 2018 £	Total 2017 £
Pension income	29,000	29,000	36,000
Raising funds	667,340	667,340	347,097
Direct costs	3,179,890	3,179,890	2,682,275
Pension cost	536,002	536,002	572,609
	<u>4,412,232</u>	<u>4,412,232</u>	<u>3,637,981</u>
<i>At 31 August 2017</i>	<u>3,637,981</u>	<u>3,637,981</u>	

Analysis of support costs

	Activities £	Total 2018 £	Total 2017 £
Staff costs	76,108	76,108	673,842
Depreciation and amortisation	-	-	1,699
Allocated support costs	892,810	892,810	746,286
Subtotal	<u>968,918</u>	<u>968,918</u>	<u>1,421,827</u>
Pension finance charge	-	-	35,999
	<u>968,918</u>	<u>968,918</u>	<u>1,457,826</u>
<i>At 31 August 2017</i>	<u>1,457,827</u>	<u>1,457,827</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	245,197	259,250
Amortisation of intangible fixed assets	13,310	5,103
Auditors' remuneration - audit	10,075	11,000
Operating lease rentals	21,965	19,008

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**NOTES TO THE FINANCIAL STATEMENTS
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9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Operating costs of defined benefit and defined contribution pension schemes	636,193	778,148
Social security costs	267,245	241,234
Wages and salaries	3,194,556	2,959,791
	<u>4,097,994</u>	<u>3,979,173</u>

Staff restructuring costs comprise:

	2018 £	2017 £
Redundancy payments	7,790	8,606
Severance payments	1,278	17,362
Pension strain	6,334	-
	<u>15,402</u>	<u>25,968</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs is one non-contractual severance payments of £Nil (2017: £7,205)

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	42	42
Administration and support	120	121
Management	7	9
	<u>169</u>	<u>172</u>

d. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	3	2
In the band £90,001 - £100,000	1	1

The above employees participated in the Teachers Pension Scheme.

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**NOTES TO THE FINANCIAL STATEMENTS
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9. STAFF COSTS (continued)

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance) received by key management personnel for their services to the academy trust was £ 744,561 (2017: £639,916)

10. CENTRAL SERVICES

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

- Financial Services
- Strategic Direction
- School Improvement
- Educational Support Services
- Human Resources

The academy charges for these services on the following basis:

The contribution per school is set at 5% of budgeted income.

Other costs not able to be met from the 5% contribution are apportioned to each school according to the size or need of that school.

The actual amounts charged during the year were as follows:

	2018 £	2017 £
Newbottle Primary Academy	86,568	87,662
Dubmire Primary Academy	90,776	84,054
Gillas Lane Primary Academy	39,173	35,860
Total	216,517	207,576

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11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal 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:

		2018 £	2017 £
G Stephenson, CEO and Accounting Officer	Remuneration	80,000-85,000	80,000-85,000
	Pension contributions paid	10,000-15,000	10,000-15,000
J Moran, Executive Business Manager - Resigned as Trustee 25 January 2018.	Remuneration	15,000-20,000	40,000-45,000
	Pension contributions paid	0-5,000	10,000-15,000
S Morrison, Head Teacher - Resigned as Trustee 25 January 2018.	Remuneration	25,000-30,000	50,000-55,000
	Pension contributions paid	0-5,000	5,000-10,000

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £157).

12. 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 £10,000,000 on any one claim and the cost for the year ended 31 August 2018 was £700 (2017 - £770).

13. OTHER FINANCE INCOME

	2018 £	2017 £
Interest income on pension scheme assets	69,000	41,000
Interest on pension scheme liabilities	(98,000)	(77,000)
	<u>(29,000)</u>	<u>(36,000)</u>

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14. INTANGIBLE FIXED ASSETS

	Computer Software £
Cost	
At 1 September 2017	41,942
Additions	4,610
At 31 August 2018	46,552
Amortisation	
At 1 September 2017	5,103
Charge for the year	13,310
At 31 August 2018	18,413
Carrying amount	
At 31 August 2018	28,139
At 31 August 2017	36,839

15. TANGIBLE FIXED ASSETS

	Leasehold property £	Furniture and fixtures £	Plant and equipment £	Total £
Cost				
At 1 September 2017	10,139,920	86,967	135,742	10,362,629
Additions	21,744	23,793	18,638	64,175
At 31 August 2018	10,161,664	110,760	154,380	10,426,804
Depreciation				
At 1 September 2017	346,888	15,673	87,456	450,017
Charge for the year	204,395	14,024	26,778	245,197
At 31 August 2018	551,283	29,697	114,234	695,214
Net book value				
At 31 August 2018	9,610,381	81,063	40,146	9,731,590
At 31 August 2017	9,793,032	71,294	48,286	9,912,612

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16. DEBTORS

	2018 £	2017 £
Trade debtors	4,857	8,078
VAT recoverable	59,442	69,232
Other debtors	97,893	-
Prepayments and accrued income	67,972	117,156
	<u>230,164</u>	<u>194,466</u>

17. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	162,714	45,086
Other taxation and social security	-	1,750
Other creditors	132,310	81
Accruals and deferred income	205,250	199,713
	<u>500,274</u>	<u>246,630</u>

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	76,175	45,316
Resources deferred during the year	105,256	76,175
Amounts released from previous years	(76,165)	(45,316)
Deferred income at 31 August 2018	<u>105,266</u>	<u>76,175</u>

Deferred income represents funds received in advance where entitlement has not passed to the Trust. The balance of £105,256 includes rates relief of £13,329 (2017: Nil), UIFSM of £74,564 (2017: £75,967), Conditional Improvement Fund of £17,363 (2017: Nil) and other income £Nil (2017: £208).

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds - all funds	280,405	656,805	(106,773)	-	-	830,437
Restricted funds						
General Annual Grant (GAG)	68,125	3,660,042	(4,002,629)	105,238	-	(169,224)
Other Grants	47,844	628,214	(676,058)	-	-	-
Other Income	29,976	5,000	(34,976)	-	-	-
Pupil Premium	-	385,827	(385,827)	-	-	-
Pension reserve	(1,281,000)	69,000	(167,000)	-	298,000	(1,081,000)
	<u>(1,135,055)</u>	<u>4,748,083</u>	<u>(5,266,490)</u>	<u>105,238</u>	<u>298,000</u>	<u>(1,250,224)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	9,970,670	230,329	(465,221)	(105,238)	-	9,630,540
Total restricted funds	<u>8,835,615</u>	<u>4,978,412</u>	<u>(5,731,711)</u>	<u>-</u>	<u>298,000</u>	<u>8,380,316</u>
Total of funds	<u>9,116,020</u>	<u>5,635,217</u>	<u>(5,838,484)</u>	<u>-</u>	<u>298,000</u>	<u>9,210,753</u>

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

General Annual Grant must be used for the normal running costs of the Academy.

Pupil Premium, other grants and other income which includes PE Grant, Special Needs and Early Years Funding with the income being restricted to the terms of each funding stream.

Capital Grant has been received for capital and related expenditure. Depreciation has been charged against assets within the Restricted Fixed Asset Fund. The transfer from Local Authority reflects fixed assets transferred on conversion along with surpluses on capital and revenue budgets at conversion.

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 2018.

The academy's restricted general (excluding pension reserve) and unrestricted funds total £579,590 at 31st August 2018. (2017: £426,350)

There has been a transfer of £105,238 from restricted fund to restricted fixed asset fund in relation to capital expenditure in the year.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Newbottle Academy	468,237	326,268
Gillas Lane Academy	46,154	16,494
Dubmire Academy	118,532	101,117
Central Services	(53,333)	(17,529)
Total before fixed asset fund and pension reserve	579,590	426,350
Restricted fixed asset fund	9,630,540	9,970,670
Pension reserve	(1,080,000)	(1,281,000)
Total	<u>9,130,130</u>	<u>9,116,020</u>

ANALYSIS OF ACADEMIES BY COST

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2018 £	Total 2017 £
Newbottle Academy	1,147,991	134,144	84,966	553,768	1,920,869	1,900,317
Gillas Lane Academy	471,973	79,145	56,043	428,838	1,035,999	738,092
Dubmire Academy	1,522,960	287,487	240,937	427,062	2,478,446	2,181,916
Central Services	343,579	134,144	342	64,278	542,343	424,934
	<u>3,486,503</u>	<u>634,920</u>	<u>382,288</u>	<u>1,473,946</u>	<u>5,977,657</u>	<u>5,245,259</u>

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18. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
Unrestricted funds	182,998	622,000	(525,000)	-	-	279,998
Restricted funds						
General Annual Grant (GAG)	613	3,494,766	(3,376,665)	-	(50,589)	68,125
Pre-opening start up funding	58,802	-	(47,616)	-	(11,186)	-
Pupil premium	-	341,226	(341,226)	-	-	-
Pension reserve	(722,000)	(1,322,000)	(172,000)	-	935,000	(1,281,000)
Other grants	27,817	705,740	(685,713)	-	-	47,844
Other income	29,976	97,216	(97,216)	-	-	29,976
	<u>(604,792)</u>	<u>3,316,948</u>	<u>(4,720,436)</u>	<u>-</u>	<u>873,225</u>	<u>(1,135,055)</u>
Restricted fixed asset funds						
Transfer on conversion	2,782,246	7,107,000	(233,000)	-	-	9,656,246
DfE/ESFA capital grants	26,149	24,000	(8,000)	-	-	42,149
Other capital grants	-	10,000	-	-	-	10,000
Capital expenditure from GAG	39,695	-	(12,000)	-	51,000	78,695
Other income	183,580	-	(11,000)	-	11,000	183,580
	<u>3,031,670</u>	<u>7,141,000</u>	<u>(264,000)</u>	<u>-</u>	<u>62,000</u>	<u>9,970,670</u>
Total restricted funds	<u>2,426,878</u>	<u>10,457,948</u>	<u>(4,984,436)</u>	<u>-</u>	<u>935,225</u>	<u>8,835,615</u>
Total of funds	<u>2,609,876</u>	<u>11,079,948</u>	<u>(5,509,436)</u>	<u>-</u>	<u>935,225</u>	<u>9,115,613</u>

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A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	182,998	1,278,805	(631,773)	-	-	830,030
Restricted funds						
General Annual Grant (GAG)	613	3,494,766	(3,376,665)	-	(50,589)	68,125
Pre-opening start up funding	58,802	3,660,042	(4,050,245)	105,238	(11,186)	(237,349)
Pupil premium	-	341,226	(341,226)	-	-	-
Pension reserve	(722,000)	(693,786)	(848,058)	-	935,000	(1,328,844)
Other grants	27,817	710,740	(720,689)	-	-	17,868
Other income	29,976	483,043	(483,043)	-	-	29,976
Pension reserve	-	69,000	(167,000)	-	298,000	200,000
	(604,792)	8,065,031	(9,986,926)	105,238	1,171,225	(1,250,224)
Restricted fixed asset funds						
Transfer on conversion	2,782,246	7,337,329	(698,221)	(105,238)	-	9,316,116
DfE/ESFA capital grants	26,149	24,000	(8,000)	-	-	42,149
Other capital grants	-	10,000	-	-	-	10,000
Capital expenditure from GAG	39,695	-	(12,000)	-	51,000	78,695
Other income	183,580	-	(11,000)	-	11,000	183,580
	3,031,670	7,371,329	(729,221)	(105,238)	62,000	9,630,540
	2,426,878	15,436,360	(10,716,147)	-	1,233,225	8,380,316
Total of funds	2,609,876	16,715,165	(11,347,920)	-	1,233,225	9,210,346

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Intangible fixed assets	-	-	28,139	28,139
Tangible fixed assets	-	-	9,731,590	9,731,590
Current assets	893,749	137,549	-	1,031,298
Creditors due within one year	(63,312)	(307,773)	(129,189)	(500,274)
Pension scheme liability	-	(1,080,000)	-	(1,080,000)
	830,437	(1,250,224)	9,630,540	9,210,753

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19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2017	2017	2017	2017
	£	£	£	£
Intangible fixed assets	-	-	36,839	36,839
Tangible fixed assets	-	-	9,912,613	9,912,613
Current assets	298,196	343,000	53,000	694,196
Creditors due within one year	(17,791)	(197,055)	(31,782)	(246,628)
Pension scheme liability	-	(1,281,000)	-	(1,281,000)
	<u>280,405</u>	<u>(1,135,055)</u>	<u>9,970,670</u>	<u>9,116,020</u>

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

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(203,267)	5,570,988
Adjustment for:		
Depreciation charges	245,197	258,432
Amortisation	13,310	5,103
Interest receivable	(435)	(402)
Increase in debtors	(35,699)	(114,650)
Increase in creditors	253,645	88,432
Capital grants from DfE and other capital income	(206,714)	(33,581)
Transfer from local authority	-	(7,208,440)
Defined benefit pension scheme cost less contributions payable	68,000	136,000
Defined benefit pension scheme finance cost	29,000	36,000
Net (losses) / gains on assets and liabilities from local authority on conversion	-	1,322,000
Net cash provided by operating activities	<u>163,037</u>	<u>59,882</u>

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	801,134	499,733
Total	<u>801,134</u>	<u>499,733</u>

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(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. PENSION COMMITMENTS

The academy'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 South Tyneside 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.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £292,727 (2017 - £269,300).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The

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22. PENSION COMMITMENTS (continued)

trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £332,000 (2017 - £315,304), of which employer's contributions totalled £270,000 (2017 - £254,611) and employees' contributions totalled £62,000 (2017 - £60,693). The agreed contribution rates for future years are 25.2% for employers and 5.5% - 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.50 %	3.40 %
Rate of increase for pensions in payment / inflation	2.00 %	1.90 %
Inflation assumption (CPI)	2.00 %	1.90 %
RPI inflation	3.10 %	3.00 %
Pension accounts revaluation rate	2.00 %	1.90 %

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

	2018	2017
Retiring today		
Males	22.9	22.8
Females	26.4	26.3
Retiring in 20 years		
Males	25.1	25
Females	28.7	28.6

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate +0.1%	4,036,000	3,806,000
Discount rate -0.1%	4,265,000	4,021,000
Mortality assumption - 1 year increase	4,266,000	3,799,000
Mortality assumption - 1 year decrease	4,032,000	4,026,000
CPI rate +0.1%	4,211,000	3,962,000
CPI rate -0.1%	4,088,000	3,862,000

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

22. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	2,071,575	1,739,091
Corporate bonds	343,728	302,565
Property	260,865	236,790
Cash and other liquid assets	67,518	102,609
Government bonds	122,760	102,609
Other	202,554	147,336
Total market value of assets	<u>3,069,000</u>	<u>2,631,000</u>

The actual return on scheme assets was £146,000 (2017 - £314,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Current service cost	(338,000)	(390,000)
Interest income	69,000	41,000
Interest cost	(98,000)	(77,000)
Total	<u>(367,000)</u>	<u>(426,000)</u>
Actual return on scheme assets	<u>146,000</u>	<u>314,000</u>

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

	2018 £	2017 £
Opening defined benefit obligation	3,912,000	1,527,000
Current service cost	338,000	390,000
Interest cost	98,000	77,000
Employee contributions	62,000	60,000
Actuarial gains	(221,000)	(662,000)
Benefits paid	(40,000)	(29,000)
Net increase in liabilities from academy conversions	-	2,549,000
Closing defined benefit obligation	<u>4,149,000</u>	<u>3,912,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

22. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	2,631,000	805,000
Interest income	69,000	41,000
Actuarial losses	77,000	273,000
Employer contributions	270,000	254,000
Employee contributions	62,000	60,000
Benefits paid	(40,000)	(29,000)
Net increase in assets	-	1,227,000
	<hr/>	<hr/>
Closing fair value of scheme assets	3,069,000	2,631,000
	<hr/>	<hr/>

23. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	11,203	16,000
Between 1 and 5 years	12,975	18,000
	<hr/>	<hr/>
Total	24,178	34,000
	<hr/>	<hr/>

24. 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.

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NOTES TO THE FINANCIAL STATEMENTS
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25. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Pat Dutton and Janet Foster are both self-employed Basic Skills Quality Mark assessors. (Mrs Dutton and Mrs Foster are members of the trust).

Aim High Academy Trust operates the Quality Mark for Basic Skills on behalf of Sunderland Local Authority. Mrs Dutton carried out assessments at schools in the Sunderland area and received remuneration totalling £750. These services were provided by Mrs Dutton and Janet Foster at cost and in accordance with the trust's financial regulations. There were no amounts outstanding as at 31.08.18.

Chris Hall is a local governor to the Academy since May 2018. Mr Hall is the owner of Thrills & Skills for Life, an outdoor education provider and maintenance company. Mr Hall provided these services totalling £7350 at cost and in accordance with the trust's financial regulations.