

ASPIRE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2014

Company Registration No. 07387540 England and Wales



ASPIRE ACADEMY TRUST

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ASPIRE ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

SE Hodge (Chair) *#
AR Fielder (Accounting Officer) *#
MC Abbott (Appointed 1 November 2013 and resigned 19 September 2014)
D Ashton (Resigned 11 March 2014) *
PB Bradburn
L Burt (Appointed 28 November 2013)
CH Hender *#
SD Michael (Resigned 10 October 2013)
NK Pearce (Appointed 1 September 2013)
NB Roberts (Resigned 14 February 2014) *#
A Wright (Vice Chair) *#

* members of the finance committee

members of the audit committee

Members

AR Fielder
CH Hender
SE Hodge

Senior management team

- Executive principal	AR Fielder
- Headteacher	R Carter
- Headteacher	A Craig
- Headteacher	P Banks
- Headteacher	V Bragg
- Headteacher	A Earnshaw
- Headteacher	S Olford
- Headteacher	J Gentile
- Business Manager	T Hooper
- IT Manager	P Bradburn

Company secretary

L Rabey

Company registration number

07387540 (England and Wales)

Academies operated

Sandy Hill Academy
Padstow School
Treverbyn Academy
Whitemoor Academy
Mount Hawke Academy
Summercourt Academy
Truro Learning Academy
Mawgan-in-Pydar CP School
St Minver School

Location

St Austell
Padstow
St Austell
St Austell
Truro
Newquay
Truro
Newquay
Wadebridge

Headteacher

R Carter
P Banks
A Craig
V Bragg
A Earnshaw
S Olford
J Gentile
V Bragg
P Banks

ASPIRE ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor	Robinson Reed Layton Peat House Newham Road TRURO Cornwall TR1 2DP
Actuary	Hymans Robertson LLP 20 Waterloo Street GLASGOW G2 6DB
Bankers	Lloyds Bank plc 7 High Cross Street ST AUSTELL Cornwall PL25 4AF
Solicitors	Browne Jacobson Mowbray House Castle Meadow Road NOTTINGHAM NG2 1BJ

ASPIRE ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2014

The trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2013 to 31 August 2014.

The charitable company changed its name on 10 April 2014 from The Cornwall Academy Trust to Aspire Academy Trust.

The academy trust operates 8 primary academies in Cornwall. Its academies have a combined pupil capacity of 1,528 and had a roll of 1,327 in the school census on 3 October 2013. A further primary school joined after the year end.

Structure, governance and management

Constitution

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

The trustees of Aspire Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice the charitable company has purchased insurance to protect trustees from claims arising from negligent acts, errors or omissions occurring whilst on the charitable company's business. The insurance provides cover up to £5 million on any one claim,

Method of recruitment and appointment or election of trustees

The academy's governing body comprises the principal, any number of parent trustees, any number of staff trustees (providing that the total number of trustees, including the principal, who are employees of the charitable company, does not exceed one third of the total number of trustees).

The charitable company shall have the following governors as set out in its Articles of Association and funding agreement:

- up to 3 trustees who are appointed by members;
- up to 5 trustees, being the chairs of each local governing body;
- the Chief Executive Officer;
- 2 parent trustees who are elected by parents of registered pupils at the academy;
- up to 1 co-opted trustee who is appointed by the governing body.

Trustees are appointed for a four year period, except that this time limit does not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of trustee, any trustee can be re-appointed or re-elected.

When appointing new trustees, the board will give consideration to the skills and experience mix of existing trustees in order to ensure that the board has the necessary skills to contribute fully to the charitable company's development.

New and existing trustees are always encouraged to visit the individual academies and to meet with children and staff at all times. All new trustees receive an induction pack including terms of reference, DFE guides and laws, information points, good practice policies and induction policies. All relevant trustee training courses are always made available and sharing ideas and views with other academy and school trustees from within and outside of the trust is actively encouraged and promoted.

Policies and procedures adopted for the induction and training of trustees

All new trustees are assigned an experienced trustee mentor to assist them in taking on new responsibilities, and are required to attend the new trustee training course provided by County Council.

ASPIRE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Organisational structure

Aspire Academy Trust follows the organisational structure laid down in the Articles of Association that were registered with Companies House on 1 November 2010 and then the revised Articles of Association that were registered with Companies House on 28 January 2013.

The structure consists of three levels: the members, the trustees and the management team. The members of the charitable company comprise the signatories of the memorandum, including the chair of trustees. The members have defined the roles of the trustees and the committee structure. The members meet annually to hold an Annual General Meeting (AGM).

Trustees are also assigned specific areas of focus aligned to the management and administration of the charitable company, or specific teaching department links. The governing body committee operate in accordance with documented terms of reference.

The responsibilities of the finance and general purposes committee are carried out by the finance committee.

Connected organisations including related party relationships

Aspire Academy Trust has connected organisations in the form of Aspire Academy Trading Limited and Aspire Umbrella Trust.

Aspire Academy Trading Limited, a fully owned subsidiary of Aspire Academy Trust, was incorporated on 22 May 2013 and was dormant to the period ended 31 August 2014.

The Aspire Umbrella Trust is an umbrella entity providing support to a number of academies including Aspire Academy Trust.

Related party transactions are detailed in Note 22 to the accounts.

Objectives and activities

Objects and aims

The principal object and activity of the charitable company is to advance for the public benefit education in the United Kingdom by maintaining, managing and developing schools offering a broad and balanced curriculum.

Objectives, strategies and activities

The aim of Aspire Academy Trust is to maintain, manage and develop a multi academy trust offering a broad and balanced curriculum to its pupils in a safe learning environment.

The multi academy trust aims to maintain high standards and continue to find ways of improving each area of the multi academy trust. The trustees believe their standards have a positive effect on not just the pupils but also to the community as well.

Over the next year, the Aspire Academy Trust aims to continue its development, growth and governance reform to enhance its school improvement programme and service offer to its member academies, with the aim of maintaining and developing high standards of curriculum and wider educational provision for every child within the trust.

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

They have referred to this guidance when reviewing the charitable company's aims and objectives and in planning its future activities.

ASPIRE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Strategic report

Achievements and performance

Over the past year, Aspire Academy Trust has grown from four to eight primary academies (as at 31 August 2014), with another five confirmed to join the academy trust in 2014/15.

2013/14 saw a number of academy trust-wide events for pupils across the academy trust, for pupils to share learning, educational life experiences that may not have been possible without a wider network of resource. These include the Aspire Commonwealth Games for all year 5 pupils, an academy trust-wide trip for years 3 and 4 to the Minack theatre, and sailing at Padstow, as well as academy trust drama and maths workshops amongst others.

Staff from across the academy trust have been working collaboratively to challenge and share good practice and skills across the academy trust and within smaller hubs. This has been formalised through The Aspire Academy Improvement Programme, a comprehensive training menu and school improvement framework and model for Aspire academies which was developed and performed in 2013/14. The academy trust's focus is always on school improvement, and this programme has been designed, led and delivered in the main part by talented leaders from every level from within our own Aspire academies.

In 2013/14, the academy trust's academic results, along with the other Aspire school improvement partners, who will join the Aspire MAT in 2014/15, were as follows:

Chart A

This chart below demonstrates that the measures taken by the trust during 2013/14 have been highly successful in raising standards. It shows that 82% of Aspire academies either increased (or retained above National Average) its percentage of pupils achieving expected progress, with 91% of academies improving their results for more than expected rates of progress from 2013 to 2014.

Key:

BOLD - the academy has increased (or retained above National Average) its percentage of pupils achieving expected or more than expected progress from 2013 to 2014.

*Italics** - signifies legitimate explanation for these high performing schools Reading results.

Progress Chart A			% Expected Progress			% More than expected progress		
Ofsted grade	Academy		Reading	Writing	Maths	Reading	Writing	Maths
3	Truro Learning Academy	2013	78	89	67	22	11	33
		2014	79	79	71	14	7	14
3	Treverbyn	2013	72	92	72	16	24	16
		2014	96	100	100	19	31	31
3	Whitemoor	2013	75	75	100	25	38	25
		2014	90	100	90	40	60	50
2	Biscovey	2013	83	95	94	29	32	42
		2014	90	100	90	30	52	40
2	Padstow	2013	92	100	96	38	38	23
		2014	96	100	89	37	67	33

ASPIRE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

2	Sandy Hill	2013	86	97	97	36	31	17
		2014	92	89	94	50	36	25
2	Shortlanesend	2013	100	100	100	26	74	47
		2014	90	100	100	14*	57	43
2	Summercourt	2013	82	91	91	27	9	18
		2014	92	92	100	62	31	38
2	St Minver	2013	93	89	100	48	15	41
		2014	85	96	96	48	19	48
1	Mawgan-in-Pydar	2013	94	94	94	44	25	38
		2014	100	100	100	33*	67	73
1	Mount Hawke	2013	97	100	97	27	23	57
		2014	100	97	93	27*	47	53
Percentage of academies increasing (or retaining high) rates of pupil progress from 2013-2014			82%	82%	91%	91%	91%	91%

- In each of these academies, a significant proportion of the cohorts achieved L3 at KS1 - 100% of whom went on to achieve L5 at KS2.
- Despite being entered for the L6 reading test no pupil achieved a L6 in reading (in line with 0% nationally).
- This imposes a false 'ceiling' on the schools ability to evidence 'more than the expected' rate of progress for reading (whereas each school is able to evidence well its outstanding progress rates in writing and mathematics through the ability to achieve L6).

*Shortlanesend : 50% of the small cohort of 14 pupils achieved a L3 for reading at KS1- all of which (100%) went on to achieve a level 5 at KS2.

*Mount Hawke: Again, as for Shortlanesend, high attainment at KS1 (40% at L3 - 100% of which went on to achieve L5) has caused the academy to have a skewed/misrepresented score for percentage of pupils achieving a 'more than expected rate of progress score'.

*Mawgan-in-Pydar: This result for this academy is still at National Average. 33% of pupils achieved a L3 at KS1 (100% went on to achieve L5) causing the same issues as for Shortlanesend and Mountt Hawke when evidencing progress. Of the other 10 pupils, 50% made more than the expected progress - evidencing outstanding progress at Mawgan-in-Pydar.

ASPIRE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Chart B

This chart demonstrates the increased rates of progress in all subjects from year end 2013 to year end 2014.

Key:

BOLD - denotes a percentage score that is well above National Average and demonstrates Good and Outstanding progress.

Italics - denotes a percentage score that is in line with National Average.

* this score is adversely affected by higher attaining academies who have a significant proportion of pupils who achieve L3 in reading at KS1, making two levels progress to achieve L5 at KS2, but failing to achieve L6 (National Average is 0%). This means that these academies are unable to demonstrate 'more than expected progress' with these pupils. This adversely affects the percentage score for this subject.

Progress Chart B			% Expected Progress			% More than expected progress		
Ofsted grade	Academy		Reading	Writing	Maths	Reading	Writing	Maths
3	Truro Learning Academy	2013	78	89	67	22	11	33
		2014	79	79	71	14	7	14
3	Treverbyn	2013	72	92	72	16	24	16
		2014	96	100	100	19	31	31
3	Whitemoor	2013	75	75	100	25	38	25
		2014	90	100	90	40	60	50
2	Biscovey	2013	83	95	94	29	32	42
		2014	90	100	90	30*	52	40
2	Padstow	2013	92	100	96	38	38	23
		2014	96	100	89	37	67	33
2	Sandy Hill	2013	86	97	97	36	31	17
		2014	92	89	94	50	36	25
2	Shortlanesend	2013	100	100	100	26	74	47
		2014	90	100	100	14*	57	43
2	Summercourt	2013	82	91	91	27	9	18
		2014	92	92	100	62	31	38
2	St Minver	2013	93	89	100	48	15	41
		2014	85	96	96	48	19	48

ASPIRE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

1	Mawgan-in-Pydar	2013	94	94	94	44	25	38
		2014	100	100	100	33*	67	73
1	Mount Hawke	2013	97	100	97	27	23	57
		2014	100	97	93	27*	47	53
Percentage of academies with Good or Outstanding Progress in 2013			45%	73%	82%	36%	45%	54.5%
Percentage of academies with Good or Outstanding progress in 2014			64%	82%	91%	54.5% 82% with * schools	73%	64%

- Whitemoor and Treverbyn academies made significant gains with progress scores demonstrating the effectiveness of measures taken to accelerate progress in these academies.

Chart C: APS scores for all academies in the Aspire Academy Trust

This shows APS scores for all academies in the Aspire Academy Trust for all pupils and for boys and girls compared with National Average figures. It shows that collectively Aspire boys are doing well compared to boys nationally in all subjects.

APS scores 2014 KS2 Chart C	% Reading			% Writing			% Mathematics		
	All	Boys	Girls	All	Boys	Girls	All	Boys	Girls
National Average	28.5	28.1	29.0	27.5	26.6	28.4	28.7	28.1	28.5
Biscovey	29.1	28.9	29.2	27.7	26.6	28.5	28.8	29.4	28.4
Mawgan-in-Pydar (4 of 7 boys SEN)	29.3	27.0	32.0	28.9	25.7	33.0	31.9	29.0	35.6
Mount Hawke	30.7	30.3	30.7	29.7	28.3	31.3	31.6	30.7	31.3
Padstow	27.6	28.9	26.1	28.9	29.6	27.9	27.8	29.6	25.6
Sandy Hill	30.2	28.1	29.8	28.0	26.7	29.5	28.9	28.1	29.8
Shortlanesend	29.0	30.0	28.6	30.2	30.0	31.4	30.2	30.0	30.3
St Minver	30.6	29.2	31.5	28.6	29.6	29.6	30.1	30.4	29.7
Summercourt (KS1 low)	29.8	30.8	28.2	25.2	25.5	24.6	27.7	26.1	28.7
Treverbyn	26.1	23.3	28.3	24.6	22.4	26.6	26.6	25.6	27.4
Truro L Academy (only 4 girls)	26.6	27.5	24.0	25.1	26.5	21.0	26.3	27.0	24.0
Whitemoor (only 2 girls)	29.7	29.0	33.0	27.5	27	30	28.6	29.7	24.0
Aspire Academy Trust Average	28.9	28.4	29.2	27.6	27.0	28.5	28.9	28.6	28.6
National Average	28.5	28.1	29.0	27.5	26.6	28.4	28.7	28.0	28.5

ASPIRE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

- This chart demonstrates that collectively as an academy trust, all subjects, for both boys and girls, are above or in line with National Average and no subject is below National Average.
- There is no gap between Aspire boys and girls for mathematics.
- The gap between Aspire boys and girls for reading is 0.8 which is less than the national gap (0.9).
- The gap between Aspire boys and girls for writing is 1.5 which less than the national gap (2.0).
- The academy trust school improvement activities for 2014/15 will be focused on closing the gap between boys and girls in reading and writing.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The charitable company's accounting period is the year to 31 August 2014.

Most of the charitable company's income is derived from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year to 31 August 2014, and the associated expenditure, are shown as restricted funds in the statement of financial activities.

The charitable company also received grants for fixed assets from the EFA. Such grants are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund will be reduced by annual depreciation charges over the expected useful life of the assets concerned.

Reserves policy

Aspire Academy Trust trustees aim to control reserves to an agreed level to ensure excessive balances are not held at any one time. Trustees will ensure that delegated funds are spent appropriately on the pupils of Aspire Academy Trust and that government balances policies will always be adhered to.

However, trustees are also aware of their responsibilities to ensure sufficient reserves are kept to ensure good financial practice and to maintain a safe financial future for Aspire Academy Trust. Any future financial trends are identified early by good financial planning and regular monitoring by finance staff and the Aspire Academy Trust finance committee.

The trustees consider the financial year end position of £9,273,921 (2013: £5,286,877) comprising £10,101,376 (2013: £5,193,349) of restricted fixed asset funds, £(1,279,000) (2013: £(82,632)) of restricted funds and £451,545 (2013: £176,160) of unrestricted funds to be satisfactory. The restricted funds consist of the pension reserve amounting to £(1,279,000) (2013: £(306,000)) and general restricted funds of £Nil (2013: £223,368).

The level of free reserves held by the academy are £451,545 (2013: £176,160).

The Local Government Pension Scheme (LGPS) fund is currently in deficit. The academy has entered into an agreement with the LGPS trustees to make additional annual contributions of £13,800 in addition to normal funding levels, over a period of 20 years, in order to bridge the scheme deficit.

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

Investment policy and powers

The trustees of Aspire Academy Trust are not allowed to make financial investments with any level of risk with third party organisations that may threaten the future of the organisation.

ASPIRE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Principal risks and uncertainties

The trustees use a number of academy policies, including health and safety, finance, safeguarding and a risk register to evaluate strategic and reputational, operational, compliance and financial risks. The trustees have ensured that the management structure, systems and controls are in place to manage those risks, as well as insurance to cover financial and governance arrangements by completing the Academies Financial Management and Governance Evaluation which was submitted to the Education Funding Agency during the year, and are satisfied with the overall assessment.

The governing body ensure regular review of risks through the reporting provided by the management team to the aforementioned governing body.

The principal risk facing the charitable company is the future level of government funding. This risk is managed by careful control over budgeted expenditure which ensures that a deficit does not arise for the year. The trustees have also self-assessed financial and governance arrangements by completing the Academies Financial Management and Governance Evaluation which was submitted to the Education Funding Agency during the year, and are satisfied with the overall assessment.

Plans for future periods

Plans for the future of Aspire Academy Trust include:

- consolidation of the Aspire hub and distribution of the administrative, financial, and strategic leadership throughout;
- to increase membership to at least 15 academies by September 2015;
- to move progressively towards every member achieving outstanding pupil outcomes and an increased percentage of outstanding lessons taught; and
- to reconstruct the Board and governance of the Aspire Academy Trust.

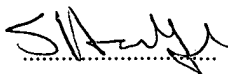
Auditor

In so far as the trustees are aware:

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

A resolution proposing that Robinson Reed Layton be reappointed as auditor of the charitable company will be put to the members.

Approved by order of the board of trustees on 16.12.14 and signed on its behalf by:



SE Hodge
Chair

ASPIRE ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Aspire 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 executive principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Aspire 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 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
SE Hodge (Chair)	3	3
AR Fielder (Accounting Officer)	3	3
MC Abbott (Appointed 1 November 2013 and resigned 19 September 2014)	3	3
D Ashton (Resigned 11 March 2014)	0	2
PB Bradburn	2	3
L Burt (Appointed 28 November 2013)	1	2
CH Hender	3	3
SD Michael (Resigned 10 October 2013)	0	0
NK Pearce (Appointed 1 September 2013)	3	3
NB Roberts (Resigned 14 February 2014)	0	1
A Wright (Vice Chair)	2	3

The finance committee is a sub-committee of the main board of trustees. Its purpose is to:

- Assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity and to provide support and guidance for all matters relating to the school premises, grounds, security and health and safety.
- To make appropriate comments and recommendations on such matters to the governing body on a regular basis.
- Major issues will be referred to the full governing body for ratification, unless otherwise delegated.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
SE Hodge (Chair)	0	2
AR Fielder (Accounting Officer)	3	3
D Ashton (Resigned 11 March 2014)	0	2
CH Hender	3	3
NB Roberts (Resigned 14 February 2014)	0	1
A Wright (Vice Chair)	3	3

ASPIRE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

The audit committee is a sub-committee of the main board of trustees. Its purpose is to:

1. Financial Reporting

- To review the actions and judgements of management in relation to the Academy Trust's financial statements, it's operating and financial review.

2. Internal Control and Risk Management

- To review the Academy Trust's procedures for detecting fraud and whistle-blowing and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or any other matters;
- To review management's reports on the effectiveness of the systems for internal financial control, financial reporting and risk management;
- To monitor the integrity of the Academy Trust's internal financial controls;
- To review the statement in the annual report and accounts on the Academy Trust's internal controls and risk management framework;
- To assess the scope and effectiveness of the systems established by management to identify, assess, manage and monitor financial and non-financial risks.

3. Internal Audit

- To review the effectiveness of the financial procedures and controls.

4. External Audit

- To recommend to the Board of Trustees the appointment or re-appointment of auditors;
- Consideration of the audit plan, in advance of the field work;
- To review with the external auditors, the findings of their work, including, any major issues that arose during the course of the audit and have subsequently been resolved and those issues that have been left unresolved; key accounting and audit judgements; levels of errors identified during the audit, obtaining explanations from management and, where necessary the external auditors, as to why certain errors might remain unadjusted;
- To review and monitor the content of the external auditor's management letter, in order to assess whether it is based on a good understanding of the Academy Trust's business and establish whether recommendations have been acted upon and, if not, the reasons why they have not been acted upon.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
SE Hodge (Chair)	3	0
AR Fielder (Accounting Officer)	3	3
CH Hender	3	3
NB Roberts (Resigned 14 February 2014)	0	1
A Wright (Vice Chair)	3	3

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Aspire Academy Trust for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and accounts.

ASPIRE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the trustees appointed Phillipa Daw, as responsible officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

Review of effectiveness

As accounting officer the executive principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

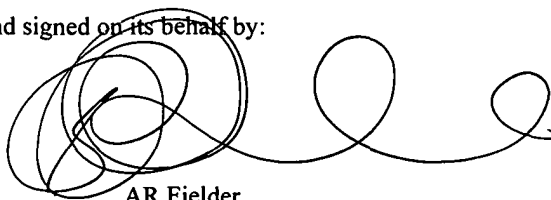
- the work of the responsible officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the senior management team within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of trustees on 16.12.14 and signed on its behalf by:



SE Hodge
Chair



AR Fielder
Accounting Officer

ASPIRE ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

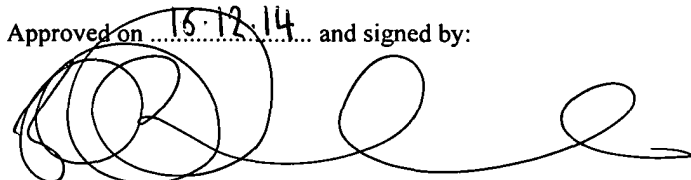
FOR THE YEAR ENDED 31 AUGUST 2014

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

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.

Approved on 18.12.14 and signed by:

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned over the signature line.

AR Fielder
Accounting Officer

ASPIRE ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

In preparing these accounts, the trustees are required to:

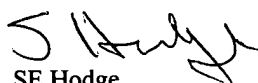
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

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

Approved by order of the board of trustees on 16.12.14 and signed on its behalf by:


SE Hodge
Chair

ASPIRE ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASPIRE ACADEMY TRUST

We have audited the accounts of Aspire Academy Trust for the year ended 31 August 2014 set out on pages 20 to 45. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 issued by the EFA.

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

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 15, the trustees, who are also the directors of Aspire Academy Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

ASPIRE ACADEMY TRUST

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

Matters on which we are required to report by exception

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

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



Mark Williams (Senior Statutory Auditor)
Robinson Reed Layton

Chartered Accountants
Statutory Auditor
Peat House
Newham Road
TRURO
Cornwall
TR1 2DP

Dated: 17 December 2014

ASPIRE ACADEMY TRUST

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

In accordance with the terms of our engagement letter dated 10 June 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Aspire Academy Trust during the period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Aspire Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Aspire Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Aspire Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Aspire Academy Trust's accounting officer and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

- The work undertaken to draw to our conclusion includes:
- a review of minutes of all trustees' meetings;
- an evaluation of internal control procedures and reporting lines and a check on the implementation of such controls;
- a review of items purchased with credit cards to ensure they are not used for personal benefit;
- a review of financial transactions for any unusual transactions which may be improper;
- a review of all the activities of the academy to ensure that they are in keeping with the academy's framework and the charitable objectives;
- a review of pecuniary interest forms to ensure all key staff and trustees have declared their interest in related parties, as well as discussion and testing of these forms;
- a review of expenditure to ensure it does not contravene the funding agreement; and
- a review of procurement procedures to ensure activity is in accordance with Annex 4.4 of Managing Public Money.

ASPIRE ACADEMY TRUST

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

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

At the year end the central services bank account was overdrawn by £8,501. Overall the company bank balances were in credit. The overdrawn bank balance arose because a BACS payment was made and insufficient funds were transferred to the relevant account. The trustees have confirmed that systems will be put into place to avoid this reoccurring in the future.



Mark Williams
Reporting Accountant
Robinson Reed Layton

Dated: 16 December 2014

ASPIRE ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2014

		Unrestricted funds £	Restricted funds £	Fixed Asset fund £	Total 2014 £	Total 2013 £
<u>Incoming resources</u>	Notes					
<i>Resources from generated funds</i>						
- Voluntary income	2	18,455	-	-	18,455	14,918
- Inherited on conversion	25	167,838	(143,000)	4,753,552	4,778,390	3,143,788
- Activities for generating funds	3	259,213	-	-	259,213	182,525
- Investment income	4	1,004	-	-	1,004	694
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	279,372	5,207,826	458,026	5,945,224	2,788,632
Total incoming resources		725,882	5,064,826	5,211,578	11,002,286	6,130,557
<u>Resources expended</u>						
<i>Costs of generating funds</i>						
- Fundraising trading	6	242,172	-	-	242,172	109,742
<i>Charitable activities</i>						
- Educational operations	7	-	5,660,682	313,938	5,974,620	3,014,696
Governance costs	8	-	4,450	-	4,450	3,999
Total resources expended	6	242,172	5,665,132	313,938	6,221,242	3,128,437
Net incoming/(outgoing) resources before transfers		483,710	(600,306)	4,897,640	4,781,044	3,002,120
Gross transfers between funds		(208,325)	197,938	10,387	-	-
Net income/(expenditure) for the year		275,385	(402,368)	4,908,027	4,781,044	3,002,120
<u>Other recognised gains and losses</u>						
Actuarial gains/(losses) on defined benefit pension scheme	18	-	(794,000)	-	(794,000)	(5,000)
Net movement in funds		275,385	(1,196,368)	4,908,027	3,987,044	2,997,120
Fund balances at 1 September 2013		176,160	(82,632)	5,193,349	5,286,877	2,289,757
Fund balances at 31 August 2014		451,545	(1,279,000)	10,101,376	9,273,921	5,286,877

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

All of the academy's activities derive from continuing operations and acquisitions during the two financial periods above.

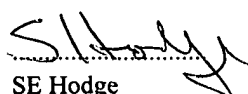
ASPIRE ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2014

	Notes	2014 £	2013 £
Fixed assets			
Tangible assets	11	9,905,598	5,193,349
Investments	12	1	-
		<u>9,905,599</u>	<u>5,193,349</u>
Current assets			
Debtors	13	365,772	60,204
Cash at bank and in hand		841,941	484,769
		<u>1,207,713</u>	<u>544,973</u>
Creditors: amounts falling due within one year	14	(560,391)	(145,445)
Net current assets		<u>647,322</u>	<u>399,528</u>
Total assets less current liabilities		<u>10,552,921</u>	<u>5,592,877</u>
Defined benefit pension liability	18	(1,279,000)	(306,000)
Net assets		<u><u>9,273,921</u></u>	<u><u>5,286,877</u></u>
Funds of the academy trust:			
Restricted income funds	16		
- Fixed asset funds		10,101,376	5,193,349
- General funds		-	223,368
- Pension reserve		(1,279,000)	(306,000)
Total restricted funds		<u>8,822,376</u>	<u>5,110,717</u>
Unrestricted funds	16	<u>451,545</u>	<u>176,160</u>
Total funds		<u><u>9,273,921</u></u>	<u><u>5,286,877</u></u>

The accounts were approved by order of the board of trustees and authorised for issue on 16.12.14


SE Hodge
Chair

Company Number 07387540

ASPIRE ACADEMY TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	2014 £	2013 £
Net cash inflow/(outflow) from operating activities	19	(5,561)	87,471
Cash funds transferred on conversion		205,535	142,276
Returns on investments and servicing of finance			
Investment income		1,004	694
Net cash inflow/(outflow) from returns on investments and servicing of finance		1,004	694
		200,978	230,441
Capital expenditure and financial investments			
Capital grants received		458,026	24,061
Payments to acquire tangible fixed assets		(310,332)	(45,737)
Payments to acquire investments		(1)	-
Net cash flow from capital activities		147,693	(21,676)
Increase/(decrease) in cash	20	348,671	208,765

All the cash flows are derived from continuing operations and acquisitions during the two financial periods above.

ASPIRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

1.1 Basis of preparation

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

1.2 Going concern

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

1.3 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from the maintained schools to an academy trust have been valued at their fair value being a reasonable estimate of the current market values that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Aspire Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift in the SOFA and analysed under unrestricted, restricted general and restricted fixed assets funds.

1.4 Incoming resources

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

Grants receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

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

Other income

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

ASPIRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

(Continued)

Donated services and gifts in kind

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

1.5 Resources expended

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

Costs of generating funds

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

Charitable activities

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

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

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

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

Leashold land & buildings	2% per annum on cost
Computer equipment	33% per annum on cost
Furniture & equipment	20-25% per annum on cost
Motor vehicles	20% per annum on cost

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

ASPIRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

(Continued)

1.7 Leasing and hire purchase commitments

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

1.8 Taxation

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

1.9 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 18, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

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

1.10 Fund accounting

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

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

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

ASPIRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Other donations	18,455	-	18,455	14,918
	<u>18,455</u>	<u>-</u>	<u>18,455</u>	<u>14,918</u>

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Hire of facilities	17,268	-	17,268	6,920
Catering income	1,773	-	1,773	2,700
Cleaning and premises compliance services	132,271	-	132,271	-
Business and accounting services	68,895	-	68,895	-
Other income	39,006	-	39,006	172,905
	<u>259,213</u>	<u>-</u>	<u>259,213</u>	<u>182,525</u>

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Short term deposits	1,004	-	1,004	694
	<u>1,004</u>	<u>-</u>	<u>1,004</u>	<u>694</u>

ASPIRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
DfE / EFA grants				
General annual grant (GAG)	-	4,447,074	4,447,074	1,874,018
Capital grants	-	417,545	417,545	24,061
Other DfE / EFA grants	-	355,777	355,777	419,382
	-	5,220,396	5,220,396	2,317,461
Other government grants				
Local authority grants	-	407,891	407,891	280,845
Other grants	-	37,565	37,565	-
	-	445,456	445,456	280,845
Other funds				
Other incoming resources	279,372	-	279,372	190,326
Total funding	279,372	5,665,852	5,945,224	2,788,632

6 Resources expended

	Staff costs £	Premises costs £	Other costs £	Total 2014 £	Total 2013 £
Academy's educational operations					
- Direct costs	3,888,151	-	369,885	4,258,036	2,003,353
- Allocated support costs	544,601	438,073	733,910	1,716,584	1,011,343
	4,432,752	438,073	1,103,795	5,974,620	3,014,696
Other expenditure					
Costs of activities for generating funds	135,389	-	106,783	242,172	109,742
Governance costs	-	-	4,450	4,450	3,999
	135,389	-	111,233	246,622	113,741
Total expenditure	4,568,141	438,073	1,215,028	6,221,242	3,128,437

ASPIRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

6 Resources expended (Continued)

Incoming/outgoing resources for the year include:	2014	2013
	£	£
Operating leases		
- Other	7,500	3,875
Loss/(profit) on disposal of fixed assets	233	-
Fees payable to auditor		
- Audit	3,500	2,250
- Other services	8,700	5,950
	<u> </u>	<u> </u>

Central services

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

- finance and administration;
- business management;
- premises compliance;
- IT support; and
- settlement of other shared costs.

The academy trust charges for these services on the following basis:

- 2% of GAG; and
- historical charges.

The amounts charged during the year were as follows:

	Total
	£
Sandy Hill Academy	47,535
Padstow School	35,542
Treverbyn Academy	39,927
Whitemoor Academy	21,155
Mount Hawke Academy	36,552
Summercourt Academy	16,233
Truro Learning Academy	20,896
Mawgan-in-Pydar CP School	9,004
	<u> </u>
	<u>226,844</u>

ASPIRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Direct costs				
Teaching and educational support staff costs	-	3,801,915	3,801,915	1,683,733
Technology costs	-	65,742	65,742	29,360
Educational supplies and services	-	107,647	107,647	69,637
Staff development	-	86,236	86,236	73,044
Educational consultancy	-	32,543	32,543	64,890
Other direct costs	-	163,953	163,953	82,689
	-	4,258,036	4,258,036	2,003,353
Allocated support costs				
Support staff costs	-	544,601	544,601	267,922
Depreciation and loss on disposal of fixed asset	-	313,938	313,938	181,852
Technology costs	-	69,209	69,209	16,561
Recruitment and support	-	5,154	5,154	2,272
Maintenance of premises and equipment	-	124,135	124,135	95,409
Cleaning	-	58,077	58,077	64,157
Energy costs	-	69,223	69,223	39,615
Rent and rates	-	55,066	55,066	22,054
Insurance	-	90,300	90,300	48,054
Security and transport	-	69,102	69,102	46,848
Catering	-	74,264	74,264	32,257
Interest and finance costs	-	7,000	7,000	4,000
Other support costs	-	236,515	236,515	190,342
	-	1,716,584	1,716,584	1,011,343
Total costs	-	5,974,620	5,974,620	3,014,696

8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Auditor's remuneration				
- Audit of financial statements	-	3,500	3,500	2,250
- Other audit costs	-	800	800	600
Other governance costs	-	150	150	1,149
	-	4,450	4,450	3,999

ASPIRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

9 Staff costs

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

	2014 Number	2013 Number
Teachers	49	33
Administration and support	79	60
Management	13	-
	<u>141</u>	<u>93</u>

Costs included within the accounts:

	2014 £	2013 £
Wages and salaries	3,547,580	1,666,472
Social security costs	171,943	100,546
Other pension costs	507,280	230,263
	<u>4,226,803</u>	<u>1,997,281</u>
Supply teacher costs	175,602	17,499
Compensation payments	79,500	6,000
Staff development and other staff costs	86,236	73,044
	<u>4,568,141</u>	<u>2,093,824</u>

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

	2014 Number	2013 Number
£60,001 - £70,000	4	-
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
	<u>5</u>	<u>1</u>

ASPIRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

9 Staff costs

(Continued)

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2014	2013
Teachers' Pension Scheme	Numbers	5	1
	£	46,366	11,040
		<u> </u>	<u> </u>
Local Government Pension Scheme	Numbers	-	-
	£	-	-
		<u> </u>	<u> </u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £79,500 (2013: £6,000). 2 of the non-statutory/non-contractual payments exceeded £5,000 individually, and these were for £55,000 and £20,000.

10 Trustees' remuneration and expenses

The executive principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, travel and subsistence payments totalling £1,731 (2013: £1,683) were reimbursed to 2 trustees (2013: 2 trustees).

The value of trustees' remuneration was as follows:

AR Fielder (executive principal and trustee) £90,000 - £95,000 (2013: £85,000 - £90,000)

PB Bradburn (staff trustee) £30,000 - £35,000 (2013: £30,000 - £35,000)

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

Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,958 (2013: £1,958).

ASPIRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

11 Tangible fixed assets

	Leashold land & buildings £	Computer equipment £	Furniture & equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2013	5,281,528	199,279	149,249	4,500	5,634,556
Additions	262,765	26,274	21,293	-	310,332
Disposals	-	(233)	-	-	(233)
Transfers	4,524,211	58,298	263,475	-	4,845,984
At 31 August 2014	10,068,504	283,618	434,017	4,500	10,790,639
Depreciation					
At 1 September 2013	234,680	138,229	65,748	2,550	441,207
Charge for the year	179,981	65,570	67,254	900	313,705
Transfers	80,195	33,071	16,863	-	130,129
At 31 August 2014	494,856	236,870	149,865	3,450	885,041
Net book value					
At 31 August 2014	9,573,648	46,748	284,152	1,050	9,905,598
At 31 August 2013	5,046,848	61,050	83,501	1,950	5,193,349

12 Fixed asset investments

	£
Market value	
At 1 September 2013	-
Acquisitions at cost	1
At 31 August 2014	1
Historical cost:	
At 31 August 2014	1
At 31 August 2013	-

ASPIRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

12 Fixed asset investments

(Continued)

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Participating interests			
Aspire Academy Trading Limited	United Kingdom	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

Principal activities	Capital and reserves £	Profit/(loss) for the year £
Aspire Academy Trading Limited Dormant	1	-

13 Debtors

	2014 £	2013 £
Trade debtors	58,814	6,635
VAT recoverable	40,818	18,438
Other debtors	7,501	-
Prepayments and accrued income	258,639	35,131
	<u>365,772</u>	<u>60,204</u>

14 Creditors: amounts falling due within one year

	2014 £	2013 £
Bank overdrafts	8,501	-
Other loans	5,465	-
Trade creditors	207,858	1,777
Taxes and social security costs	68,586	82,101
Accruals	128,194	50,608
Deferred income	141,787	10,959
	<u>560,391</u>	<u>145,445</u>

ASPIRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

15	Deferred income				2014	2013
					£	£
	Deferred income is included within:					
	Creditors due within one year				141,787	10,959
	Total deferred income at 1 September 2013				10,959	-
	Amounts credited to the statement of financial activities				(10,959)	-
	Amounts deferred in the year				141,787	10,959
	Total deferred income at 31 August 2014				141,787	10,959
16	Funds					
		Balance at 1 September 2013	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2014
		£	£	£	£	£
	Restricted general funds					
	General Annual Grant	26,602	4,447,074	(4,671,614)	197,938	-
	Other DfE / EFA grants	196,766	355,777	(552,543)	-	-
	Other government grants	-	404,975	(404,975)	-	-
	Funds excluding pensions	223,368	5,207,826	(5,629,132)	197,938	-
	Pension reserve	(306,000)	(143,000)	(36,000)	(794,000)	(1,279,000)
		(82,632)	5,064,826	(5,665,132)	(596,062)	(1,279,000)
	Restricted fixed asset funds					
	DfE / EFA capital grants	147,072	458,026	(42,965)	260,215	822,348
	Inherited fixed asset fund	4,991,305	4,753,552	(234,747)	(284,426)	9,225,684
	Capital expenditure from GAG or other funds	54,972	-	(36,226)	34,598	53,344
		5,193,349	5,211,578	(313,938)	10,387	10,101,376
	Total restricted funds	5,110,717	10,276,404	(5,979,070)	(585,675)	8,822,376
	Unrestricted funds					
	General funds	176,160	725,882	(242,172)	(208,325)	451,545
	Total funds	5,286,877	11,002,286	(6,221,242)	(794,000)	9,273,921

ASPIRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

16 Funds

(Continued)

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

Restricted general funds - The restricted general fund includes grants, receivable from the Education funding Agency and the Department for Education towards the principal activity of the academy, being the provision of education.

Restricted fixed asset funds - The restricted fixed asset fund includes the leasehold property and furniture and equipment transferred to Aspire Academy Trust on conversion and Education Funding Agency grants which have been received. The fund is being reduced by depreciation in the year.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

Analysis of academies by fund balance

	Total £
Fund balances at 31 August 2014 were allocated as follows:	
Sandy Hill Academy	98,928
Padstow School	42,936
Treverbyn Academy	11,727
Whitemoor Academy	85,965
Mount Hawke Academy	64,494
Summercourt Academy	39,520
Truro Learning Academy	23,969
Mawgan-in-Pydar CP School	67,352
Central services	16,654
	<hr/>
Funds excluding fixed asset fund and pensions reserve	451,545
	<hr/>
Restricted fixed asset fund	10,101,376
Pension reserve	(1,279,000)
	<hr/>
Total funds	9,273,921

ASPIRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

16 Funds

(Continued)

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 depreciation	Total
	£	£	£	£	£
Sandy Hill Academy	817,218	117,428	18,943	218,307	1,171,896
Padstow School	570,368	68,886	11,015	121,667	771,936
Treverbyn Academy	733,219	82,996	23,105	216,960	1,056,280
Whitemoor Academy	280,988	27,225	16,382	84,672	409,267
Mount Hawke Academy	652,685	83,775	18,644	162,363	917,467
Summercourt Academy	271,924	24,156	2,475	87,808	386,363
Truro Learning Academy	258,063	16,456	11,102	76,303	361,924
Mawgan-in-Pydar CP School	105,890	7,776	4,850	45,398	163,914
Central services	143,574	219,278	1,131	304,274	668,257
	<u>3,833,929</u>	<u>647,976</u>	<u>107,647</u>	<u>1,317,752</u>	<u>5,907,304</u>

17 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Fixed asset funds	Total funds
	£	£	£	£
Fund balances at 31 August 2014 are represented by:				
Tangible fixed assets	-	-	9,905,598	9,905,598
Fixed asset investments	-	-	1	1
Current assets	451,545	560,391	195,777	1,207,713
Creditors: amounts falling due within one year	-	(560,391)	-	(560,391)
Defined benefit pension liability	-	(1,279,000)	-	(1,279,000)
	<u>451,545</u>	<u>(1,279,000)</u>	<u>10,101,376</u>	<u>9,273,921</u>

18 Pensions and similar obligations

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

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

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

No contributions (2013: £39,753) were payable to the schemes at 31 August 2014.

ASPIRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

18 Pensions and similar obligations

(Continued)

Teachers' Pension Scheme

Introduction

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

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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

Teachers' Pension Scheme changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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

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

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100 percent basis.

ASPIRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

18 Pensions and similar obligations

(Continued)

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme, and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.8% for employers and between 5.5 and 7.5% for employees. The estimated value of employer contributions for the forthcoming year is £225,000.

The academy trust has entered into an agreement with the LGPS trustees to make additional annual contributions of £13,800 in addition to normal funding levels, over a period of 20 years, in order to bridge the scheme deficit.

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.

	2014 £	2013 £
Employer's contributions	198,000	99,000
Employees' contributions	62,000	32,000
Total contributions	260,000	131,000

Principal actuarial assumptions

	2014 %	2013 %
Rate of increase in salaries	4.5	5.1
Rate of increase for pensions in payment	2.7	2.8
Discount rate for scheme liabilities	3.7	4.6
Commutation of pensions to lump sums relating to pre-April 2008 services	40	40
Commutation of pensions to lump sums relating to post-April 2008 services	70	70

ASPIRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

18 Pensions and similar obligations

(Continued)

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions as at 31 August 2014:

0.5% decrease in Real Discount Rate - 17% approximate increase to Employer Liability equating to approximately £548,000.

1 year increase in member life expectancy - 3% approximate increase to Employer Liability equating to approximately £96,000.

0.5% increase in the Salary Increase Rate - 10% approximate increase to Employer Liability equating to approximately £326,000.

0.5% increase in the Pension Increase Rate - 6% approximate increase to Employer Liability equating to approximately £200,000.

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

	2014 Years	2013 Years
Retiring today		
- Males	22.2	21.3
- Females	24.4	23.4
Retiring in 20 years		
- Males	24.4	23.2
- Females	26.8	25.6

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

	2014 Expected return %	2014 Fair value £	2013 Expected return %	2013 Fair value £
Equities	6.2	1,027,000	6.6	635,000
Bonds	3.2	775,000	3.9	251,000
Property	4.5	116,000	4.7	50,000
Other assets	3.3	19,000	3.6	70,000
Total market value of assets		1,937,000		1,006,000
Present value of scheme liabilities - funded		(3,216,000)		(1,312,000)
Net pension asset / (liability)		(1,279,000)		(306,000)

ASPIRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

18 Pensions and similar obligations

(Continued)

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period. They have been calculated using 5,000 simulations of Hymans Robertson Asset Model (HRAM), the proprietary stochastic asset model developed and maintained by Hymans Robertson LLP, and calibrated using market data as at a recent date.

The only exception to the use of HRAM is in deriving the expected return on bond assets: instead of the HRAM output, yields applicable at the accounting date on suitable bond indices have been used.

The actual return on scheme assets was £157,000 (2013: £53,000).

Operating costs and income recognised in the statement of financial activities

	2014 £	2013 £
Financial expenditure/(income)		
Expected return on pension scheme assets	(78,000)	(30,000)
Interest on pension liabilities	85,000	34,000
	<u>7,000</u>	<u>4,000</u>
Other expenditure/(income)		
Current service cost	227,000	107,000
Past service cost	-	-
	<u>227,000</u>	<u>107,000</u>
Total operating charge/(income)	<u>234,000</u>	<u>111,000</u>

Actuarial gains and losses recognised in the statement of financial activities

	2014 £	2013 £
Actuarial (gains)/losses on assets: actual return less expected	(302,000)	(24,000)
Experience (gains)/losses on liabilities	488,000	-
(Gains)/losses arising from changes in assumptions	608,000	29,000
	<u>794,000</u>	<u>5,000</u>
Total (gains)/losses	<u>794,000</u>	<u>5,000</u>
Cumulative (gains)/losses to date	<u>853,000</u>	<u>59,000</u>

ASPIRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

18 Pensions and similar obligations

(Continued)

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

	2014 £	2013 £
Opening defined benefit obligations	(1,312,000)	(366,000)
Obligations acquired on conversion	(436,000)	(744,000)
Current service cost	(227,000)	(107,000)
Interest cost	(85,000)	(34,000)
Contributions by employees	(62,000)	(32,000)
Actuarial gains/(losses)	(1,096,000)	(29,000)
Benefits paid	2,000	-
	<u>(3,216,000)</u>	<u>(1,312,000)</u>

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

	2014 £	2013 £
Opening fair value of scheme assets	1,006,000	263,000
Assets acquired on conversion	293,000	558,000
Expected return on assets	78,000	30,000
Actuarial gains/(losses)	302,000	24,000
Contributions by employers	198,000	99,000
Contributions by employees	62,000	32,000
Benefits paid	(2,000)	-
	<u>1,937,000</u>	<u>1,006,000</u>

History of experience gains and losses:

	2014 £	2013 £	2012 £	2011 £
Present value of defined benefit obligations	(3,216,000)	(1,312,000)	(366,000)	(227,000)
Fair value of share of scheme assets	1,937,000	1,006,000	263,000	187,000
Surplus / (deficit)	<u>(1,279,000)</u>	<u>(306,000)</u>	<u>(103,000)</u>	<u>(40,000)</u>
Experience adjustment on scheme liabilities	(488,000)	-	-	-
Experience adjustment on scheme assets	<u>302,000</u>	<u>24,000</u>	<u>2,000</u>	<u>(7,000)</u>

ASPIRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

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

	2014 £	2013 £
Net income	4,781,044	3,002,120
Capital grants and similar income	(458,026)	(24,061)
Net deficit/(surplus) transferred on conversion	(4,778,390)	(3,143,788)
Investment income	(1,004)	(694)
FRS17 pension costs less contributions payable	29,000	8,000
FRS17 pension finance income	7,000	4,000
Depreciation of tangible fixed assets	313,705	181,852
Losses/(profits) on disposals of fixed assets	233	-
(Increase)/decrease in stocks	-	2,764
(Increase)/decrease in debtors	(305,568)	(33,077)
Increase/(decrease) in creditors	406,445	90,355
Net cash inflow/(outflow) from operating activities	(5,561)	87,471

20 Reconciliation of net cash flow to movement in net funds

	2014 £	2013 £
Increase/(decrease) in cash	348,671	208,765
Adjustment to financing charge	(5,465)	-
Net funds at 1 September 2013	484,769	276,004
Net funds at 31 August 2014	827,975	484,769

21 Analysis of net funds

	At 1 September 2013 £	Transferred on conversion £	Cash flows £	Non-cash changes £	At 31 August 2014 £
Cash at bank and in hand	484,769	205,535	151,637	-	841,941
Bank overdrafts	-	-	(8,501)	-	(8,501)
	484,769	205,535	143,136	-	833,440
Debt due within one year	-	-	-	(5,465)	(5,465)
Net balances	484,769	205,535	143,136	(5,465)	827,975

ASPIRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

22 Commitments under operating leases

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

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
- Within one year	1,875	1,875	2,807	-
- Between two and five years	-	-	19,671	16,249
	<u>1,875</u>	<u>1,875</u>	<u>22,478</u>	<u>16,249</u>

23 Capital commitments

	2014	2013
	£	£

At 31 August 2014 the company had capital commitments as follows:

Expenditure contracted for but not provided in the accounts	181,182	-
	<u>181,182</u>	<u>-</u>

24 Related parties

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account:

Ashton MEC Limited - a company in which D Ashton, a trustee, has a majority interest. Transactions totalling £Nil (2013: £15,804), relating to the supply of consultancy services, took place in the year. There were no amounts outstanding at 31 August 2014 (2013: £Nil).

Mrs E Hender - wife of C Hender, a trustee. Transactions totalling £14,140 (2013: £14,026), relating to the provision of clerking services, took place in the year. There were no amounts outstanding at 31 August 2014 (2013: £Nil).

ASPIRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

25 Conversion to an academy

On 1 November 2013, 1 December 2013 and 1 June 2014 Summercourt CP School (now Summercourt Academy), Treyew Primary School (now Truro Learning Academy) and Mawgan-in-Pydar CP School converted to academy trust status respectively under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Aspire Academy Trust from Cornwall Council for £nil consideration.

Also, on 1 September 2013 Mount Hawke Academy joined Aspire Academy Trust and all the operations and assets and liabilities were transferred to Aspire Academy Trust from Mount Hawke Academy for £nil consideration.

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

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

Academy	Location	Date of conversion		
Mount Hawke Academy	Truro	1 September 2013		
Summercourt Academy	Newquay	1 November 2013		
Truro Learning Academy	Truro	1 December 2013		
Mawgan-in-Pydar CP School	Newquay	1 June 2014		

Funds surplus/(deficit) transferred:	Unrestricted funds	Restricted funds	Fixed asset funds	Total 2014
	£	£	£	£
Fixed assets funds	-	-	4,753,552	4,753,552
LA budget funds	148,267	-	-	148,267
LGPS pension funds	-	(143,000)	-	(143,000)
Other funds	19,571	-	-	19,571
	<u>167,838</u>	<u>(143,000)</u>	<u>4,753,552</u>	<u>4,778,390</u>

Net assets transferred:	£
Leasehold land and buildings	4,444,016
Tangible fixed assets apart from land and buildings	271,839
Cash	205,535
Pension surplus/(deficit)	(143,000)
	<u>4,778,390</u>

26 Post balance sheet events

After the year end, the following school converted to academy trust status and joined Aspire Academy Trust.

Academy	Location	Date of conversion
St Minver School	Wadebridge	1 September 2014

ASPIRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

27 Members' liability

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