

COMPANY REGISTRATION NUMBER: 07977940 (England and Wales)

**AMBITIONS ACADEMIES TRUST
FORMERLY TREGONWELL MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2014**

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AMBITIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2014

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AMBITIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr Brian R Hooper
Mrs Pat Marchiori
Mr Richard Smith

Trustees

Mrs Pat Marchiori	Chair of Trustees & Chair of LGB Tregonwell Academy
Mrs Caroline Sard#	Vice-Chair of Trustees & Chair of LGB Queens Park Academy & Chair of LGB Longspee Academy from 19 March 2014
Mr Richard Smith#	Chair of Trust Audit Committee
Mr Nigel Smith*	Chair of Trust Finance Committee
Mrs Carole Roscoe	(resigned 3 April 2014)
Mrs Marilyn Bramford*	
Mr Damien Watts	Chair of LGB Longspee Academy (appointed 1 September 2013 and resigned 19 March 2014)
Mrs Berni Catling*	(appointed 1 September 2013)
Mr Brian R Hooper#*	Chief Executive Officer and Accounting Officer

Members of Audit Committee

* Members of Finance Committee

Company secretary

Sherri Hawkins

Senior Management Team

Brian R Hooper	Chief Executive and Accounting Officer
Sian Thomas	Principal, Tregonwell Academy
Nicki Mitchell	Principal, Longspee Academy
Alex Prout	Principal, Queens Park Academy
Sherri Hawkins	Business Director
Verity King	Finance Director/Principal Finance Officer

Principal and Registered Office

Ambitions Academies Trust
Petersfield Campus
Petersfield Road
Bournemouth
BH7 6QP

Company Registration Number

07977940

Auditors

Filer Knapper LLP
Chartered Accountants and Statutory Auditor
10 Bridge Street
Christchurch
BH23 1EF

Bankers

Lloyds
PO Box 1000
Andover
BX1 1LT

Solicitors

Browne Jacobson LLP
44 Castle Gate
Nottingham
NG1 7BJ

AMBITIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2014

The Trustees present their annual report together with the audited financial statements of the Ambitions Academies Trust (Trust) for the year ended 31 August 2014.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The 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 Trust.

The Trust was incorporated on 6 March 2012. These financial statements consolidate the figures for Tregonwell Academy and Queens Park Academy from 1 September 2013, as well as Longspee Academy which converted to an Academy on 1 September 2013 and joined the Trust on this date.

As at 31 August 2014, the Trust was comprised of three Academies, delivering across five sites.

The Trustees of the Trust are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company was known as Tregonwell Multi-Academy Trust until 19 June 2014 when its name was changed to Ambitions Academies Trust.

Details of the Trustees who served throughout the year, except as noted, 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 practice, the Trust insures its Trustees and Governors against errors, negligent acts or omissions relating to their work for the Trust, for a maximum of £5.0m on any single claim.

Principal Activities

The principal activity of the Trust is to advance, for the public benefit, the education of young people by fostering high expectations of all our pupils and offering a targeted curriculum that encourages the development of individual strengths.

Method of Recruitment and Appointment or Election of Trustees

The Trust has a total of seven Trustees. This includes the Chief Executive Officer. Trustees serve a term of office of four years. New Trustees and Governors are appointed by the Board of Trustees. When new Trustees or Governors are to be appointed, the Board or the Governing Body approves at that time an appropriate process and criteria for recruitment, based on an analysis of the current skill and capability requirements of the Board or Academy Advisory Committee, the current needs of each of the Academies and governance good practice at Trust level.

AMBITIONS ACADEMIES TRUST
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TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

Policies and Procedures Adopted for the Induction and Training of Trustees

When new Trustees or Governors are appointed, an analysis of the requirements of their role and their current skills determine their induction process. The induction process is set out in the Governance Handbook.

Organisational Structure

For the period of these financial statements, the Trust's decisions are taken on behalf of all Academies by the Board of Trustees, in respect of governance, financial control and procedure and staffing structure. Principals and Academy Advisory Committees lead individual Academies, making decisions on the direction of teaching and learning and attainment.

Risk Management

For the period covered by these financial statements, the Chief Executive Officer and other Trustees are responsible for identifying risks faced by the Trust and by individual Academies. With the support of the Accounting Officer and Principal Financial Officer, Trustees are required to establish and implement procedures to mitigate and monitor these risks.

In order to further strengthen risk management across the Trust, from 1 September 2013, the Trustees have taken the lead on all risk management, alongside the Chief Executive Officer. Through the Finance Committee and Audit Committee, Trustees identify risk and establish policies to assess the implications of risks and effectively mitigate them through controls and procedures. New policies and procedures are written with Charity Commission guidelines in mind. The Trustees acknowledge they have responsibility for ensuring that the Trust has an appropriate system of financial controls. The Trustees also understand their duty to ensure that proper accounting records are kept which disclose at any time with reasonable accuracy the financial position of the Trust and which enable them to ensure the financial statements comply with the Companies Act. The Trustees acknowledge responsibility for safeguarding the assets of the Trust and, as such, the need for reasonable steps for the prevention and detection of fraud or irregularities.

Mitigation against identified risks include steps to ensure that:

- the Trust is operating efficiently and effectively
- its assets are safeguarded against unauthorised use or disposition
- proper records are maintained and financial information used within the Trust or for its publication is reliable
- the Trust complies with relevant laws and regulations

OBJECTIVES AND ACTIVITIES

Objects and Aims

The aim of the Trust is to operate as a group of collaborating Academies for the benefit of young people. Academies are geographically close which offers the Trust the opportunity to develop a common ethos, share best practice and combine resources.

AMBITIONS ACADEMIES TRUST
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TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2014

OBJECTIVES AND ACTIVITIES *(continued)*

Objectives, Strategies and Activities

For the period covered by these financial statements the Trust comprises of three Academies, Tregonwell Academy, Queens Park Academy and Longspee Academy.

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

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

Queens Park Academy is a Junior School (Year 3 - Year 6) with approximately 440 pupils on roll. Queens Park Academy's motto is 'High Expectations lead to High Achievers'. Through a broad, balanced, relevant and enjoyable curriculum, Queens Park Academy aims to enable children to become confident, resourceful, enquiring and independent learners. High personal standards of achievement are set and the Academy aims to foster children's self-esteem, help them build positive relationships and help them grow into reliable, independent and positive citizens.

Longspee Academy is a specialist provision working with children and young people who have social, emotional and mental health issues. These issues have manifested themselves in extremely challenging behaviour which cannot be supported within mainstream settings. Longspee Academy provides education for children across Bournemouth, Poole, Hampshire and Dorset from Reception through to Year 8. The mantra for the Academy is 'High Expectations on the Journey to Success' and we aim to provide a nurturing, pupil-centred learning environment with high levels of support and challenge enabling all the children and young people to achieve their full potential.

Our aim is to develop the whole child in order that they succeed academically, can self-regulate their emotions and are able to develop and maintain good relationships with others in order to go on and lead happy, successful lives as part of the wider community.

Public Benefit

The Trustees and Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charitable Company's objectives and aims and in planning activities for the period. The Trustees and Governors consider that the Charitable Company's aims are demonstrably to the benefit of the public.

AMBITIONS ACADEMIES TRUST
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TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2014

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Tregonwell Academy has continued its success throughout this period, following an Ofsted Inspection Report 2013 which judged the school to be Outstanding overall and indeed Outstanding in all four key areas:

- Achievement
- Teaching and Learning
- Behaviour and Safety
- Leadership and Management

Queens Park Academy achievement over the period has been remarkable. In June 2014, Ofsted inspected the academy and graded Queens Park Academy as Outstanding overall and Outstanding in all areas:

- Achievement
- Teaching and Learning
- Behaviour and Safety
- Leadership and Management

Ofsted said of Queens Park Academy:

'Pupils leave the Academy at the age of 11 with levels of attainment which are well above average. Pupils feel very safe and well cared for. They love taking on responsibility and are excellent ambassadors for the academy'. (Ofsted June 14)

The results for Queens Park Academy's SATS in 2014 continued a very strong upward trend, with 91% achieving level 4 in writing, 94% in reading and 98% for maths. Queens Park Academy are ranked as the highest achieving school in Bournemouth for Level 6 maths, with 20% of the children in Year 6 achieving this.

Longspee Academy is a successful provision as evidenced by the rates of pupil progress. In the year 2013-2014 the pupils achieved the following in relation to their challenging targets which demonstrate that the vast majority of students make good or better progress overtime:

Summer Data Summary	% of children <u>who have met</u> target	% of children <u>who have exceeded</u> target
Reading	93%	10%
Writing	93%	17%
Maths	95%	10%

Outreach services to mainstream schools supporting the most vulnerable pupils in Bournemouth and Poole have been delivered successfully throughout the year from both Tregonwell Academy and Longspee Academy. Longspee Academy will continue to deliver outreach services in the coming year.

The Trust has significantly developed its governance and has, since the period end, begun the process of incorporating a fourth Academy within the Trust. The expansion and development of the Trust is a mark of its excellent reputation in delivering outstanding outcomes.

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TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2014

Key Performance Indicators

As Tregonwell Academy is a special school, Key Performance Indicators are based on the individual needs of each pupil. These are based on their starting point and take into account the particular special need, including Specific Learning Difficulties; Moderate Learning Difficulties; Autistic Spectrum Condition. Each pupil is individually assessed and 'challenge' targets are set to ensure the majority of pupils are in the upper quartile for progress. Our achievement against this target over recent years is reflected in our outstanding Ofsted rating.

At Queens Park Academy, our Key Performance Indicators against SATS results are as follows:

2014 SATS	% Level 4+	% Level 5+	% Level 6
Writing	91	25	0
Reading	94	48	0
Maths	98	49	20

Our SATS projections for 2015 are as follows:

2015 SATS	% Level 4+	% Level 5+	% Level 6
Writing	96	62	7
Reading	96	61	7
Maths	99	80	24

At Longspee Academy, for our SATS Results 2014, our end of KS2 cohort consisted of 9 students. 22% of our current end of KS2 cohort joined Longspee in 2012-2013 during Y5 and 22% joined at the start of Y6. Therefore just under half of the cohort were working with us less than 1 year prior to taking their SATs. 66% were entered into the 3-5 level SATS.

The results below represent the performance of 5 students who took the SATS.

- 1 pupil achieved Level 5 in Reading and Mathematics
- 2 pupils achieved Level 5 in Spelling, Punctuation and Grammar

Out of the 4 other pupils:

- 66% achieved Level 4 in Reading
- 56% achieved Level 4 in Mathematics

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TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2014

Key Performance Indicators *(continued)*

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

Financial Key Performance Indicator	Measure – Tregonwell Academy	Measure – Queens Park Academy	Measure – Longspee Academy	Measure – Ambitions Academies Trust
Year End Reserves	8%-12% Actual – 10.6%	8%-12% Actual – 31.1%	8%-12% Actual – 9.7%	8%-12% Actual – 15.5%
Teaching and Educational Support Costs as % Income	Not to exceed 66% Actual – 60%	Not to exceed 66% Actual – 58%	Not to exceed 73% Actual – 71%	
Total Staff Costs as % Income	Not to exceed 79% Actual – 73%	Not to exceed 78% Actual – 69%	Not to exceed 80% Actual – 76%	

All of the above have been met, with the exception of Queens Park Academy's reserves level, which remains higher than our target. This will enable us to implement our capital development proposals in the coming year.

We have considered staff key performance indicators. We review many aspects of staff performance regularly through personnel reporting to the Trust Board. These reports include matters such as staff turnover, appraisals and staff performance. We also monitor staff sickness absence and attendance levels, as detailed below.

Staff attendance rates

Ambitions Academies Trust	-	Autumn 2013	= 95%
		Spring 2014	= 96.5%
		Summer 2014	= 96%

Average number of sickness absence days per staff member

Queens Park Academy	-	Autumn 2013	= 3.5 days
		Spring 2014	= 1.5 days
		Summer 2014	= 2.3 days
Longspee Academy	-	Autumn 2013	= 4.9 days
		Spring 2014	= 1.99 days
		Summer 2014	= 0.8 days
Tregonwell Academy	-	Autumn 2013	= 2.7 days
		Spring 2014	= 2.06 days
		Summer 2014	= 3.15 days

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TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2014

Going Concern

After making appropriate enquiries, the Trustees and Governors have a reasonable expectation that the Trust and the individual Academies have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Trust continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies shown in note 1 of the financial statements.

The Trustees and Governors recognise that the pension scheme brought forward and that for Longspee Academy on conversion and the movements this period has led to a deficit in the pension scheme reserve. This is being dealt with by way of a valuation that aims to address the deficit in the long term by adjusting contributions to the scheme.

Therefore, the Trust intends to return its share of the Local Government Pension Scheme to surplus in the long term through increased pension contributions.

FINANCIAL REVIEW

In the main, the Trust's income comes from the Education Funding Agency (EFA). The income comes in the form of recurrent grants for specific purposes. These grants and the associated expenditure are shown as restricted funds in the consolidated Statement of Financial Activities. The Trust also receives specific grants and a high level of non-recurrent income for special educational needs provision from Local Authorities.

The Trust also receives recurrent grants for fixed assets from the EFA. These grants are shown in the consolidated Statement of Financial Activities as restricted income and represented in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets.

During the year to 31 August 2014, total expenditure (excluding depreciation and loss on pension scheme) of £6,838,921 (2013 - £6,165,112) was more than covered by grant funding from the EFA and income from Local Authorities. The excess of income over expenditure for the year (excluding fixed asset funds and pension scheme actuarial movements) was £294,418 (2013 - £844,225). The expenditure in the year was used for direct provision of education to our pupils and for the support services necessary to enable this provision.

At 31 August 2014, the net book value of fixed assets was £16,329,115 (2013 - £11,412,633). These assets were used exclusively for providing education to the Trust's pupils and related support services.

AMBITIONS ACADEMIES TRUST
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TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2014

Financial and Risk Management Objectives and Policies

Financial risks are indicated and managed as part of the Risk Register, which is reviewed by Trustees. The Trust aims to limit its exposure to financial risks and does not undertake high risk investment strategies.

The Trust's principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance the Trust's operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance that will allow the Trust to operate and meets its objectives. The Trust will seek to hold cash in such a way that achieves a competitive rate of interest.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity is managed by ensuring sufficient funds are available to meet amounts due.

Principal Risks and Uncertainties

The Trustees have assessed, through a Risk Register and through the activities of the Audit Committee, the major risks to which the Trust is exposed. In particular, assessment has been made of the risks relating to specific teaching, provision of facilities and other operational areas of the Trust and its finances. Risks are assessed through a number of systems, and procedures are implemented to mitigate these risks. Some of these mitigating procedures include internal financial controls, trend and sensitivity analysis, vetting of new staff, health and safety policies and data protection procedures. The Trust has ensured that adequate insurance cover is in place to mitigate risk.

Reserves Policy

The Trust held balance at 31 August 2014 was £15,453,758 (2013 - £10,987,858), comprising of £422,918 (2013 - £285,838) of restricted funds, a pension reserve deficit of £2,014,000 (2013 - £1,269,000), restricted fixed asset funds of £16,329,115 (2013 - £11,412,633) and £715,725 (2013 - £558,387) of unrestricted general funds which represented free reserves.

Total revenue reserves, which exclude the fixed asset fund of £16,329,115 (2013 - £11,412,633) and the pension reserve deficit of £2,014,000 (2013 - £1,269,000) as at 31 August 2014 were £1,138,643 (2013 - £844,225). This year, our key financial indicator was to maintain the reserves at a level between 8 - 12% of revenue (excluding transfers on conversion relating to fixed assets and pension deficit) within each Academy and at Trust as a whole. The Trustees consider that this is sufficient for the working capital and operational needs of the Trust, based on historic levels of activity. However, while the level of reserves for Tregonwell Academy and Longspee Academy are within the level set, Queens Park Academy's reserves are substantially higher. This is as a result of delayed capital investment in the year. Given the current expansion of the Trust, these requirements are not fixed. The Trustees will keep the level of reserves under review.

Investment Policy

For the period covered by these financial statements, all cash balances have been held in current accounts in UK banks. In future, the Trust intends to hold surplus cash in low risk high interest deposit accounts using the services of a bank which specialises in charity clients.

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TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2014

PLANS FOR FUTURE PERIODS

The future plans of the Trust are as follows:

- The first priority of the Trust is to continue to consolidate its achievement of high standards by ensuring development of outstanding practice across the Trust.
- The Trust intends to continue its growth by enacting its expansion in 2015 to encompass a total of 5 Academies and the Ambitions Teaching School. This will further extend the services the Trust can provide within the individual Academies.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

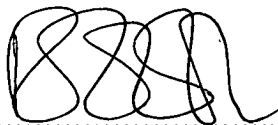
No funds are held as a custodian on behalf of the others by the Trust.

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.

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company Directors, on 04.12.14..... and signed on the Board's behalf by:



.....
MRS P MARCHIORI
Chair of Trustees

AMBITIONS ACADEMIES TRUST
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GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2014

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the 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

At Trust level, the Board of Trustees has formally met four times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs P Marchiori	4	4
Mrs C Sard	3	4
Mr R Smith	4	4
Mr N Smith	2	4
Mrs B Catling	3	4
Mrs M Bramford	4	4
Mr B Hooper	4	4
Mr D Watts (resigned)	0	2
Mrs C Roscoe (resigned)	0	2

During the period of these financial statements, a review of the Governance arrangements was conducted as part of the Financial Management and Governance Evaluation with the conversion of Longspee.

In the period, financial delegation at Academy level was reviewed with the aim of providing professional oversight and scrutiny at Trust level. Financial delegation was facilitated through the Finance Committee, as a sub-committee of the Board of Trustees. The Trust Audit Committee was formed within this period. The Finance Committee and Audit Committee assisted the Board of Trustees with oversight of financial and other controls and risk management. The Finance Committee had sight of the management of all income and expenditure on behalf of the Trust. The Finance Committee was chaired by a solicitor and the Audit Committee was chaired by an HMRC Intervention Team Leader. During the period, the Trust also recruited a Chartered Certified Accountant to fulfil the role of Finance Director at Trust level, in response to the growing size and complexity of the Trust.

The Finance Committee has formally met twice times during the year. Attendance at meetings of the Finance Committee was as follows:

Trustee	Meetings attended	Out of a possible
Mr N Smith	2	2
Mrs B Catling	2	2
Mrs M Bramford	2	2
Mr B Hooper	2	2

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GOVERNANCE STATEMENT *(continued)*

YEAR ENDED 31 AUGUST 2014

The Audit Committee has formally met two times during the period. Attendance during the period at meetings of the Finance Committee was as follows:

Trustee/Governor	Meetings attended	Out of a possible
Mr R Smith	2	2
Mrs C Sard	2	2
Mrs L Parker (Governor)	2	2
Mr B Hooper	2	2

Additionally, until 31 March 2014 a specialist education financial consultancy firm was contracted to provide Responsible Officer duties. From 1 April 2014, this role has been under development with an external registered auditor, with a view to establishing a peer monitoring relationship, with a strong local Academy Trust in the next academic year.

In the new Governance arrangements from 1 September 2013 an Audit Committee has been in place. Both the Finance Committee and the Audit Committee are elected Sub-Committees of the main Board of Trustees, with Finance responsibility moving largely away from individual academies with the exception of non-pay expenditure. The purpose of the Audit Committee is to maintain an oversight of the Trust's governance, risk management, internal control and value for money. It reports its findings to the Board of Trustees and the Accounting Officer as a critical element of the Trust's annual reporting requirements.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

The work of the auditors and of the Audit Committee has helped to identify areas where internal control procedures can be improved upon. The points raised by audit in the prior period have resulted in changes to the current systems and implementation of improvements across the Trust. The main objective of the coming year is to ensure consistency across the various Academies within the Trust.

CAPACITY TO HANDLE RISK

The Trustees and Governors have reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year from 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees and Trust Management Team.

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GOVERNANCE STATEMENT *(continued)*

YEAR ENDED 31 AUGUST 2014

THE RISK AND CONTROL FRAMEWORK

The 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:

- regular budget and management information reviews by the Trust Management Team and Academy Advisory Boards
- budgeting and monitoring systems with an annual budget, staff structure review and periodic financial reports which are reviewed and agreed by the Trustees or Academy Advisory Boards as appropriate;
- regular reviews by the finance committee of reports which indicate financial performance against forecasts and of major purchase plans, procurement of major contracts, 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;
- regular reviews by the audit committee to enable identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function. The role of Responsible Officer has previously been provided by a contracted specialist education funding consultancy firm (School Business Services), which included a quarterly visit to each Academy, a sample test of each of the main ledgers and a written report provided to the Accounting Officer. It is considered that the information provided by this service has not included all of the aspects that the Trust Audit Committee requires.

From 1 April 2014, this role has been under development with assistance from an external registered auditor. From 1 September 2014, a peer monitoring system will be implemented with a strong local Academy Trust working to a three year internal audit schedule designed in conjunction with an external registered auditor.

The Audit Committee will receive reports from the Peer Review Responsible Officer and monitor the Trust's progress against recommendations both from the Responsible Officer and from recommendations resulting from the audit process and documented in the Management letter.

The Responsible Officer's role will include giving advice on financial matters and performing a range of checks on the Trust's financial systems, agreed in advance by the Trust Audit Committee in order to assist the Trust Audit Committee in fulfilling its role of ensuring the adequacy of the financial systems. On a termly basis, the Responsible Officer will report to the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities. Additionally, throughout the year an external registered auditor will be commissioned to provide independent investigation analysis and report on key risks identified by the Audit Committee.

**AMBITIONS ACADEMIES TRUST
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GOVERNANCE STATEMENT *(continued)*

YEAR ENDED 31 AUGUST 2014

REVIEW OF EFFECTIVENESS

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

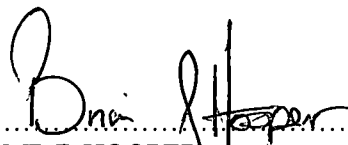
- the work of the responsible officer;
- the work of the external auditor;
- the financial management and governance self-assessment process undertaken on the conversion of Longspee Academy;
- the work of senior managers within the academy trust who have responsibility for the development and maintenance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

The Accounting Officer has been advised of the implications of the result of the work conducted and a plan to address development need and ensure continuous improvement is in place. The Audit committee will, as part of its regular schedule of work, periodically review the system of internal control, advise the accounting officer and develop and monitor the implementation of measures to address development need where they are identified.

Approved by order of the Board of Trustees on ..04.12.14..... and signed on its behalf by:



MRS P MARCHIORI
Chair of Trustees



MR B HOOPER
Accounting Officer

AMBITIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

YEAR ENDED 31 AUGUST 2014

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

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

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

- A small related party transaction took place in the year, this included profit and did not have a not for profit statement or open book agreement.

I recognise that, while we have a successful system for declaration of interests by related parties across the Trust, there is the opportunity to increase the scope and visibility of our policy and implement new procedures. To raise the profile of this important policy, declarations of interest will be now published on our website and displayed in our Finance offices.

New systems will ensure that should further related party transactions occur they will have a statement of not for profit to support them and be under an open book agreement before they take place.

- No detailed fixed asset register has been in place during the year however this will be implemented going forwards under the guidance of the auditors. This will allow us to have full oversight of assets belonging to the Trust, depreciation charges and movements of assets.
- The audit findings have highlighted management points leading to an accumulated lack of financial oversight in the year, although no material errors are noted in the accounts, we recognise that as the Trust has rapidly grown and further improvements can be made to ensure consistent good practice of procedures and controls. Having these in place will ensure even more consistent good practice in all areas of the Trust.

In respect of this, plans are now in place for the coming year to implement a new financial system to support real-time, detailed reporting. We will also be implementing a system for full monthly reconciliation of balance sheet control accounts across the Trust. These changes will be supported by a training and implementation programme.

- Training will ensure that the procedures and systems incorporate those requirements and stipulations of the financial handbook and accounts direction.



MR B HOOPER
 Accounting Officer

Date ..04.12.14.....

AMBITIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

YEAR ENDED 31 AUGUST 2014

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who act as Governors of Ambitions Academies Trust and are also Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report, including the Strategic Report, and the financial statements in accordance with the Annual Accounts Direction published 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 financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

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

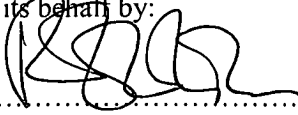
The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding Agency and Department for Education have been applied for the purposes intended.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's auditors are 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.

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

Approved by order of the members of the Board of Trustees on ...04.12.14..... and signed on its behalf by:

.....

 MRS P MARCHIORI
 Chair of Trustees

AMBITIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AMBITIONS ACADEMIES TRUST

YEAR ENDED 31 AUGUST 2014

We have audited the financial statements of Ambitions Academies Trust for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 16], the Trustees (who are also the Directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act. Our responsibility is to audit and express an opinion on the financial statements 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 (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust'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 financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements 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 FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2014, and of the incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

**AMBITIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AMBITIONS ACADEMIES TRUST *(continued)***

YEAR ENDED 31 AUGUST 2014

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Annual Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.


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

10 Bridge Street
Christchurch
Dorset
BH23 1EF

31 December 2014


LUCY FILER
(Senior Statutory Auditor)
For and on behalf of
FILER KNAPPER LLP
Chartered Accountants
& Statutory Auditor

**AMBITIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT
ON THE REGULARITY TO AMBITIONS ACADEMIES TRUST
AND THE EDUCATION FUNDING AGENCY**

YEAR ENDED 31 AUGUST 2014

In accordance with the terms of our engagement letter dated 6 November 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ambitions Academies Trust during the period 1 September 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 Ambitions Academies 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 Ambitions Academies 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 Ambitions Academies Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Ambitions Academies Trust's funding agreement with the Secretary of State for Education dated 30 July 2014 and the Academies Financial Handbook, extant from 1 September 2013 (updated October 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 2013 to 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 2013 to 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 Trust's income and expenditure.

**AMBITIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT
ON THE REGULARITY TO AMBITIONS ACADEMIES TRUST
AND THE EDUCATION FUNDING AGENCY *(continued)***

YEAR ENDED 31 AUGUST 2014

The work undertaken to draw our conclusion includes:

- Reviewing the systems and procedures in place.
- Reviewing the results of the audit work which could have implications over the assurance conclusion.
- Reviewing the Trust's funding agreement and articles of association and whether these have been followed.
- Considering the requirements of the financial handbook and accounts directions issued by the EFA and whether any material breaches have occurred.

CONCLUSION

In the course of our work, other than those matters noted in the Statement of Regularity, Propriety and Compliance by the Accounting Officer, 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.



10 Bridge Street
Christchurch
Dorset
BH23 1EF

FILER KNAPPER LLP
Chartered Accountants
& Statutory Auditor

31 December 2014

AMBITIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2014 £	Total Funds 1 Apr 12 to 31 Aug 13 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	1,161	2,063	-	3,224	6,664
Transfer from local authority on conversion	28	120,266	(241,000)	5,037,132	4,916,398	11,310,914
Activities for generating funds	3	37,090	15,530	-	52,620	123,121
Investment income	4	1,105	-	-	1,105	752
Incoming resources from charitable activities:						
Funding for the Trust's educational operations	5	-	7,121,306	-	7,121,306	6,399,263
Other incoming resources	6	5,007	970	-	5,977	2,237
TOTAL INCOMING RESOURCES		164,629	6,898,869	5,037,132	12,100,630	17,842,951
RESOURCES EXPENDED						
Cost of generating funds:						
Costs of generating voluntary income		-	-	-	-	-
Charitable activities:						
Trust's educational operations	8	7,291	6,755,077	403,809	7,166,177	6,385,615
Governance costs	9	-	76,553	-	76,553	94,478
TOTAL RESOURCES EXPENDED	7	7,291	6,831,630	403,809	7,242,730	6,480,093
NET INCOMING RESOURCES BEFORE TRANSFERS		157,338	67,239	4,633,323	4,857,900	11,362,858
Gross transfers between funds	16	-	(283,159)	283,159	-	-
NET INCOME/(EXPENDITURE) FOR THE YEAR		157,338	(215,920)	4,916,482	4,857,900	11,362,858
OTHER RECOGNISED GAINS AND LOSSES						
Actuarial losses on defined benefit pension schemes	16,25	-	(392,000)	-	(392,000)	(375,000)
NET MOVEMENT IN FUNDS		157,338	(607,920)	4,916,482	4,465,900	10,987,858
RECONCILIATION OF FUNDS						
Funds brought forward at 1 September 2013		558,387	(983,162)	11,412,633	10,987,858	-
Funds carried forward at 31 August 2014		715,725	(1,591,082)	16,329,115	15,453,758	10,987,858

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

A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of
Financial Activities.

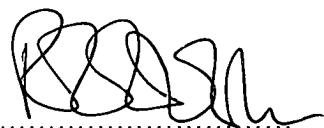
AMBITIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET

31 AUGUST 2014

	Notes	2014	2013
		£	£
FIXED ASSETS			
Tangible assets	13	16,329,115	11,412,633
CURRENT ASSETS			
Debtors	14	844,739	449,208
Cash at bank and in hand		<u>920,459</u>	<u>662,965</u>
		1,765,198	1,112,173
CREDITORS: Amounts falling due within one year	15	<u>(626,555)</u>	<u>(267,948)</u>
NET CURRENT ASSETS		<u>1,138,643</u>	<u>844,225</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		17,467,758	12,256,858
Pension scheme liability	25	<u>(2,014,000)</u>	<u>(1,269,000)</u>
NET ASSETS INCLUDING PENSION LIABILITY		<u>15,453,758</u>	<u>10,987,858</u>
FUNDS OF THE ACADEMY:			
RESTRICTED FUNDS			
Fixed asset funds	16	16,329,115	11,412,633
General funds	16	422,918	285,838
Pension reserve	16	<u>(2,014,000)</u>	<u>(1,269,000)</u>
TOTAL RESTRICTED FUNDS		<u>14,738,033</u>	<u>10,429,471</u>
UNRESTRICTED FUNDS	16	<u>715,725</u>	<u>558,387</u>
TOTAL FUNDS		<u>15,453,758</u>	<u>10,987,858</u>

The financial statements on pages 21 to 48 were approved by the Trustees, and authorised for issue on 04.12.14 and are signed on their behalf by:



MRS P MARCHIORI
Chair of Trustees

Registration Number 07977940

AMBITIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT

YEAR ENDED 31 AUGUST 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities	19	136,123	122,948
Returns on investments and servicing of finance	20	1,105	752
Capital expenditure	21	-	-
Acquisitions and disposals	22	120,266	539,265
Increase in cash in the year	23	257,494	662,965
Reconciliation of net cash flow to movement in net funds			
Net funds at brought forward at 1 September 2013		662,965	-
Net funds at 31 August 2014		920,459	662,965

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

**AMBITIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES

Basis of Preparation

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

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 Trust 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 financial statements.

Incoming Resources

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

- **Grants receivable**

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

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

- **Sponsorship income**

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

**AMBITIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES *(continued)*

- **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.

- **Donated Services and Gifts in Kind**

The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the 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 Trust's policies.

The transfer of leasehold land and buildings from the Local Authority at £nil consideration has been recognised as incoming resources by way of a transfer from the Local Authorities on conversion. This has been included at the value written out of the accounts from the Local Authorities, Bournemouth Borough Council and Poole Borough Council but using the land value provided by the EFA desktop valuation where this is available. The amount is recognised in the Statement of Financial Activities in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's policies.

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 Trust's educational operations.

- **Governance Costs**

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

AMBITIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES *(continued)*

Conversion to an Academy

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

The assets and liabilities transferred on conversion from Longspee School, including those transferred from the Nigel Bowes Centre and Throop Learning Centre, to the Trust have been valued at their fair value being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for the Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 28.

Tangible Fixed Assets

There has been no minimal value for assets capitalised as tangible fixed assets. These 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 Trust's depreciation policy.

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

Leasehold land and buildings	- buildings 50 and 15 years straight line / land 125 years straight line
Fixtures, fittings and equipment	- 25% reducing balance
IT and computer equipment	- 3 years straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

Leased Assets

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

**AMBITIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES *(continued)*

Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

Pensions Benefits

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the 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 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 25, the TPS is a multi-employer scheme and the 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 recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academies 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.

Fund Accounting

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

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

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

AMBITIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2014

2. VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Other donations	1,161	2,063	3,224	6,664
	<u>1,161</u>	<u>2,063</u>	<u>3,224</u>	<u>6,664</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Hire of facilities	11,633	-	11,633	5,743
Catering income	22,199	-	22,199	15,197
Sale of books and uniforms	1,427	-	1,427	1,214
Music lesson income	-	2,015	2,015	4,598
Consultancy	-	13,515	13,515	96,369
Other income	1,831	-	1,831	-
	<u>37,090</u>	<u>15,530</u>	<u>52,620</u>	<u>123,121</u>

4. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Short term deposits	1,105	1,105	752
	<u>1,105</u>	<u>1,105</u>	<u>752</u>

5. FUNDING FOR TRUST'S EDUCATIONAL OPERATIONS

	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
DfE/EFA revenue grants			
General Annual Grant (GAG)	3,176,553	3,176,553	3,615,507
Start up grants	-	-	100,492
Capital grants	33,880	33,880	34,712
Other DfE/EFA grants	356,974	356,974	194,750
	<u>3,567,407</u>	<u>3,567,407</u>	<u>3,945,461</u>
Other Government grants			
Local authority grants	3,068,637	3,068,637	1,982,403
	<u>3,068,637</u>	<u>3,068,637</u>	<u>1,982,403</u>
Other income			
Pupil placement	376,612	376,612	416,184
Other grants	61,000	61,000	33,365
Teaching staff absence	11,294	11,294	12,781
Educational trips	36,356	36,356	9,069
	<u>485,262</u>	<u>485,262</u>	<u>471,399</u>
	<u>7,121,306</u>	<u>7,121,306</u>	<u>6,399,263</u>

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YEAR ENDED 31 AUGUST 2014

6. OTHER INCOMING RESOURCES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Sundry income	5,007	970	5,977	2,237
	<u>5,007</u>	<u>970</u>	<u>5,977</u>	<u>2,237</u>

7. RESOURCES EXPENDED

	Staff Costs £	Non Pay Expenditure Premises £	Other Costs £	Total 2014 £	Total 2013 £
Trust's educational operations					
Direct costs	4,588,661	219,300	461,268	5,269,229	4,303,576
Allocated support costs	<u>790,765</u>	<u>334,593</u>	<u>771,590</u>	<u>1,896,948</u>	<u>2,082,039</u>
	<u>5,379,426</u>	<u>553,893</u>	<u>1,232,858</u>	<u>7,166,177</u>	<u>6,385,615</u>
Governance costs including allocated support costs	<u>37,585</u>	<u>-</u>	<u>38,968</u>	<u>76,553</u>	<u>94,478</u>
	<u>5,417,011</u>	<u>553,893</u>	<u>1,271,826</u>	<u>7,242,730</u>	<u>6,480,093</u>

The method used for the apportionment of support costs is disclosed in the accounting policies.

	2014 £	2013 £
Outgoing resources for the year include:		
Operating leases	12,358	3,458
Fees payable to auditor:		
Audit	16,500	8,995
Accountancy	8,500	13,005
Other services	2,000	1,870

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YEAR ENDED 31 AUGUST 2014

8. CHARITABLE ACTIVITIES - TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Direct costs				
Teaching and educational support staff costs	-	4,588,661	4,588,661	3,560,518
Depreciation	-	282,666	282,666	272,633
Educational supplies	-	101,277	101,277	84,253
Examination fees	-	10,504	10,504	38,847
Educational visits	-	85,179	85,179	116,690
Educational consultancy	-	194,336	194,336	230,635
Other costs	-	6,606	6,606	-
	<u>-</u>	<u>5,269,229</u>	<u>5,269,229</u>	<u>4,303,576</u>
Allocation supported costs				
Support staff costs	-	790,765	790,765	1,132,202
Depreciation	-	121,143	121,143	42,348
Maintenance of premises and equipment	7,291	262,885	270,176	243,341
Computer and internet costs	-	94,679	94,679	91,766
Rates and water	-	20,722	20,722	17,588
Energy costs	-	64,079	64,079	41,597
Insurance	-	93,040	93,040	85,359
Motor vehicle costs	-	16,503	16,503	16,384
Motor and travel costs	-	41,279	41,279	21,968
Accountancy fees	-	12,310	12,310	13,515
Legal fees	-	68,906	68,906	72,089
Telephone	-	19,638	19,638	23,979
Hire of equipment and facilities	-	8,486	8,486	8,519
Other support costs	-	97,151	97,151	107,901
Licences and subscriptions	-	14,326	14,326	20,365
Catering costs	-	97,854	97,854	83,982
Finance costs	-	65,000	65,000	58,000
Bank charges and interest	-	891	891	1,136
	<u>7,291</u>	<u>1,889,657</u>	<u>1,896,948</u>	<u>2,082,039</u>
Total direct costs and support costs	<u>7,291</u>	<u>7,158,886</u>	<u>7,166,177</u>	<u>6,385,615</u>

9. GOVERNANCE COSTS

	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Legal and professional fees	19,378	19,378	43,268
Auditor's remuneration:			
Audit of financial statements	16,500	16,500	8,995
Support staff costs	37,585	37,585	41,040
Training and support costs	3,090	3,090	1,175
	<u>76,553</u>	<u>76,553</u>	<u>94,478</u>

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YEAR ENDED 31 AUGUST 2014

10. STAFF COSTS

	2014 £	2013 £
Staff costs during the year were:		
Wages and salaries	4,494,405	3,910,783
Social security costs	268,609	241,977
Pension costs	576,793	460,008
	<u>5,339,807</u>	<u>4,612,768</u>

Supply teacher costs £665,078 (2013 - £568,859) included within wages and salaries.

Staff severance payments

Included in wages and salaries are non-statutory/non-contractual severance payments totalling £29,294. £27,235 of the payments exceed £5,000 individually and these were for £17,873 and £9,362.

The average number of persons (including senior management team) employed by the Trust during the year, and the full time equivalents, was as follows:

	2014 No	2014 Full time Equivalent	2013 No	2013 Full time Equivalent
Charitable Activities				
Teachers	128	100	51	32
Administration and support	44	38	80	55
Management	6	6	5	5
	<u>178</u>	<u>144</u>	<u>136</u>	<u>92</u>

The number of employees whose emoluments fell within the following bands was:

	2014 No	2013 No
£60,000 - £70,000	1	1
£70,001 - £80,000	1	-
£80,001 - £90,000	1	1
£150,001 - £160,000	-	1
£180,001 - £190,000	<u>1</u>	<u>-</u>

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £52,350 (2013 - £86,578).

AMBITIONS ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2014

10. STAFF COSTS *(continued)*

Central services

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

List of services	Trust charges for services £	Tregonwell Academy £	Queens Park Academy £	Longspee Academy £	Method of appointment
Leadership and professional services	391,275	215,075	100,800	75,400	Trust Management staff charged on a time-apportioned basis
IT strategy services	5,857	5,857	-	-	Charged to Tregonwell Academy
Financial software	10,400	6,837	1,705	1,858	Charged on an actual basis where possible, or one-third basis
Other IT and software	8,829	5,794	-	3,035	Charged on an actual basis
Communications	2,344	2,344	-	-	Charged to Tregonwell Academy
Legal services	10,922	10,922	-	-	Charged to Tregonwell Academy
Training and development	3,742	2,298	322	1,122	Charged on an actual basis
Other central costs	1,266	1,266	-	-	Charged to Tregonwell Academy
	434,635	250,393	102,827	81,415	

From 1 September 2014, new Trust arrangements are in place to allocate central services costs on a fixed percentage basis.

11. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

The Chief Executive only received remuneration in respect of services provided undertaking his role, and not in respect of services as a Trustee. The value of the Chief Executive's remuneration, inclusive of employer's NI contributions was between £185,000 - £190,000 for the year 1 September 2013 to 31 August 2014, (£70,000 - £75,000 for the 5 month period from 1 April 2012 to 31 August 2012 and £170,000 - £175,000 for the year from 1 September 2012 to 31 August 2013). Employer's pension contributions were £23,324 (2013 - £29,986). Other Trustees did not receive any payments, other than expenses, from the Trust in respect of their role as Trustees.

During the year travel and subsistence expenses totalling £28 (2013 - £277) were reimbursed to Trustees. Related party transactions involving the Trustees are set out in note 26.

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £6,238 (2013 - £12,763). The cost of this insurance is included in the total insurance cost.

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YEAR ENDED 31 AUGUST 2014

13. TANGIBLE FIXED ASSETS

	Leasehold Land and Buildings £	Fixtures Fittings and Equipment £	IT and Computer Equipment £	Total £
Cost				
At 1 September 2013	11,633,649	43,281	50,684	11,727,614
Additions	5,072,287	190,898	57,106	5,320,291
At 31 August 2014	<u>16,705,936</u>	<u>234,179</u>	<u>107,790</u>	<u>17,047,905</u>
Depreciation				
At 1 September 2013	278,174	14,875	21,932	314,981
Charged in year	313,287	54,592	35,930	403,809
At 31 August 2014	<u>591,461</u>	<u>69,467</u>	<u>57,862</u>	<u>718,790</u>
Net book values				
At 31 August 2014	<u>16,114,475</u>	<u>164,712</u>	<u>49,928</u>	<u>16,329,115</u>
At 31 August 2013	<u>11,355,475</u>	<u>28,406</u>	<u>28,752</u>	<u>11,412,633</u>

14. DEBTORS

	2014 £	2013 £
Trade debtors	544,007	268,616
VAT recoverable	110,597	87,596
Other debtors	11,521	-
Prepayments and accrued income	178,614	92,996
	<u>844,739</u>	<u>449,208</u>

15. CREDITORS: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	351,493	157,580
Taxation and social security	147,363	79,824
Accruals and deferred income	127,699	30,544
	<u>626,555</u>	<u>267,948</u>

At the balance sheet date the Trust was holding funds received in advance (deferred income) as follows:

	£
Capital grant	3,101
Insurance grant	22,997
Other income	2,809
	<u>28,907</u>

AMBITIONS ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2014

16. FUNDS

	Balance at 1 Sep 13 £	Incoming Resources £	Resources Expended £	Losses £	Transfers £	Balance at 31 Aug 14 £
Restricted general funds						
Donations	-	2,063	(2,063)	-	-	-
Music lesson income	-	2,015	(2,015)	-	-	-
Consultancy services	-	13,515	(13,515)	-	-	-
General Annual Grant (GAG)	216,279	3,176,553	(2,810,911)	-	(195,838)	386,083
Start up grants	53,752	-	(33,844)	-	(19,908)	-
Other DfE/EFA grants:						
Other grants	-	356,974	(348,854)	-	(8,120)	-
Capital grant						
Queens Park Academy	7,713	8,151	-	-	(15,864)	-
Tregonwell Academy	-	6,362	-	-	(6,362)	-
Tregonwell Academy - ASD	4,545	14,477	-	-	(19,022)	-
Longspee Academy	-	4,890	-	-	(4,890)	-
Local authority grants:						
Other grants	-	152,381	(152,381)	-	-	-
Capital grant	3,549	-	-	-	(3,549)	-
Looked after children	-	6,865	(6,865)	-	-	-
Growth funding	-	38,755	(38,755)	-	-	-
High Needs top up funding	-	2,212,126	(2,212,126)	-	-	-
Pupil over numbers funding	-	89,573	(89,573)	-	-	-
Pupil referral unit funding	-	409,725	(409,725)	-	-	-
Pupil placement funding	-	19,265	(19,265)	-	-	-
Behaviour support services	-	139,947	(139,947)	-	-	-
Other income:						
Pupil placement - from other schools	-	376,612	(376,612)	-	-	-
Recharges	-	970	(970)	-	-	-
NCTL	-	61,000	(14,559)	-	(9,606)	36,835
Educational trips	-	36,356	(36,356)	-	-	-
Teaching staff absence funds	-	11,294	(11,294)	-	-	-
	285,838	7,139,869	(6,719,630)	-	(283,159)	422,918
Pension reserve	(1,269,000)	(241,000)	(112,000)	(392,000)	-	(2,014,000)
	(983,162)	6,898,869	(6,831,630)	(392,000)	(283,159)	(1,591,082)
Restricted fixed asset funds						
Fixtures, fittings, equipment and IT computer equipment	57,158	-	(90,522)	-	248,004	214,640
Leasehold land and buildings	11,355,475	5,037,132	(313,287)	-	35,155	16,114,475
	11,412,633	5,037,132	(403,809)	-	283,159	16,329,115
Total restricted funds	10,429,471	11,936,001	(7,235,439)	(392,000)	-	14,738,033
Unrestricted funds	558,387	164,629	(7,291)	-	-	715,725
Total funds	10,987,858	12,100,630	(7,242,730)	(392,000)	-	15,453,758

**AMBITIONS ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2014

16. FUNDS *(continued)*

Donations

£707 received from various donations and fundraising for the benefit of the school.

£275 raised for charity donations.

£543 received as voluntary donations towards extracurricular activities.

The balance has been received from various parents towards repairs, for damage caused by their child.

Music lesson income

Fully utilised against the cost of music lessons.

Consultancy income

Represents income derived from work performed by Trust staff to external organisations. The expenditure represents the staff cost of the relevant staff member in undertaking this work.

General Annual Grant (GAG)

The General Annual Grant funding from the Education Funding Agency has been used in line with the funding agreement for the running of the Trust, including salary costs, overheads, premises costs and curriculum costs. £195,838 was spent towards restricted fixed assets and transferred to this fund.

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

Start up grants

Education Funding Agency grants to contribute to the cost of converting a maintained school to an Academy. Costs incurred during the period have been for professional support costs, legal, consultancy, financial services, software and licences, training, website and branding. Of these costs, £19,908 has been transferred to the restricted fixed asset fund.

Other DFE / EFA Grants

£356,974 of other DFE / EFA grants as follows:

£46,773 Funding for insurance premiums

Funding received from the Education Funding Agency to contribute to the cost of insurance. Spent on insurance costs including buildings, contents and liability, but excluding minibus insurance.

£271,661 Pupil premium

Funding from the Education Funding Agency to contribute to the additional educational needs of children who qualify. The purpose is to close the educational attainment gap between pupils identified under pupil premium and other pupils. This grant was spent on additional curriculum support services. An annual statement of how each of our Academies has utilised their grant is published on our website.

£5,500 Year 7 Catch Up Grant

Year 7 Catch Up Funding of £5,500 represents funding from the Education Funding Agency. The purpose being for additional education for each Year 7 pupil who has not achieved level 4 in reading and/or maths at Key Stage 2. Spent on additional teacher/teaching assistant time.

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2014

16. FUNDS *(continued)*

Other DFE / EFA Grants *(continued)*

£400 Phonics

Phonics funding of £400 represents funding from the Education Funding Agency to deliver phonics education.

£26,055 PE Grant

Income received to raise the standard of PE within schools. Spent on wages in Tregonwell Academy and Queens Park Academy, while Longspee Academy used it as a contribution towards specialist sports equipment for whole school use.

£6,585 Rates

Rates top up funding received from the Education Funding Agency to cover Queens Park Academy's rates costs.

Capital Grant (EFA)

£8,151, £6,362 and £4,890 relates to Capital Funding from the Education Funding Agency, to be utilised on capital expenditure in line with the school development plan. The total of the capital grant brought forward and received during the period was fully utilised in the period on assets.

A further £14,477 was received in the period towards the cost of fitting out an Autistic Spectrum Disorder Unit within the Petersfield Campus. The remaining grant has been fully utilised in the period.

Costs spent in the period have been transferred to the restricted fixed asset fund.

Local Authority Grants

£152,381 of other Local Authority grants as follows:

£128,057 Funding for Outreach services at Longspee Academy

Funding from Borough of Poole Local Authority to provide support to local schools for pupils who need behaviour support. Providing a service to schools to help pupils manage behaviour within the school environment and spent on a dedicated school support team within the curriculum support.

£3,258 Funding for 1:1 provision at Longspee Academy

Funding from Local Authorities to provide bespoke support to pupils requiring 1:1 support in the classroom, spent on dedicated members of staff within curriculum support.

£13,306 Funding for 1:1 SEN provision at Queens Park Academy

Funding from Local Authorities to provide bespoke support to pupils with SEN statements requiring 1:1 support in the classroom, spent on dedicated members of staff within curriculum support.

£7,760 Looked After Children

Looked After Children funding received by Queens Park Academy and Longspee Academy from Local Authorities to support the education and social progress of Looked After Children. This grant was spent on additional curriculum support services.

Capital Grant (Local Authority)

£3,549 funding relates to Capital Funding to Queens Park Academy from Bournemouth Borough Council brought into the year. The total of the capital grant brought forward was fully utilised in the period on assets.

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YEAR ENDED 31 AUGUST 2014

16. FUNDS *(continued)*

Looked After Children

Looked After Children funding of £6,865 represents funding to Tregonwell Academy from Bournemouth Borough Council to support the education and social progress of Looked After Children. This grant was spent on additional curriculum support services.

Growth Funding

Growth funding received from the Local Authority in respect of additional pupils at Queens Park Academy. This grant was spent on the direct costs of providing for an additional class in the Academy.

High Needs Top Up Funding

High Needs Top Up Funding received from Local Authorities. Spent on the running of the Trust, including salary costs, overheads, premise costs and curriculum costs.

Pupil Over Numbers Funding

Funding received from Local Authorities in respect of pupils above our Planned Admission Number. Spent on the direct costs of providing education as well as the running of the Academies and the Trust, including salary costs, overheads, premises costs and curriculum costs.

Pupil Placement Funding

Funding received from Local Authorities to meet the extra cost of receiving placement pupils. Spent on the direct costs of providing education as well as the running of the Academies and the Trust, including salary costs, overheads, premises costs and curriculum costs.

Pupil Referral Unit Funding

Funding received from Local Authorities to run the Pupil Referral Unit services. Spent on the direct costs of providing education as well as the running of Tregonwell Academy and the Trust, including salary costs, overheads, premises costs and curriculum costs.

Behaviour Support

Funding from Bournemouth Borough Council to Tregonwell Academy to provide support to local schools for pupils who need behaviour support. Providing a service to schools to help pupils manage behaviour within the school environment and spent on a dedicated school support team within the curriculum support.

Other income:

Pupil placement from other schools

Funding received from other schools to meet the extra cost of receiving placement pupils. Spent on the direct costs of providing education as well as the running of the Academies and the Trust, including salary costs, overheads, premises costs and curriculum costs.

Recharges

Recharged costs for repairs and maintenance usage.

National College of Teaching and Learning (NCTL)

Funding from NCTL following Tregonwell Academy's recognition as a Teaching School. Spent on the costs of providing, delivering and facilitating training of newly qualified teachers and associated support costs. Of these costs, £9,606 has been transferred to the restricted fixed asset fund.

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

16. FUNDS (continued)

Educational trips

Parental donations towards the cost of educational school trips, used to cover the cost of these trips attended in the period.

Staff teaching absence refunds

Funds received as a result of staff absences and spent on staff cover.

Pension reserve

The deficit brought across on conversion to Academy status. Movements represent the costs and losses during the period on each Academy fund, administered by Dorset County Pension Fund.

Restricted fixed asset funds

Transfers represent money received as stated from the source above for spend on capital items. Incoming resource represents the transfer from Local Authority on conversion relates to the leasehold land and buildings, transferred from the Local Authorities, Borough of Poole, for Longspee Academy and Bournemouth Borough Council for the Nigel Bowes Campus and Throop Learning Centre. Resource expenditure is the depreciation charged during the year.

Analysis of Academies by fund balance

Fund balances at 31 August 2014 were allocated as follows:

	2014 £	2013 £
Tregonwell Academy	417,990	547,692
Queens Park Academy	573,164	296,533
Longspee Academy	147,489	-
Total before fixed assets and pension reserve	<u>1,138,643</u>	<u>844,225</u>
Restricted fixed asset fund	16,329,115	11,412,633
Pension reserve	<u>(2,014,000)</u>	<u>(1,269,000)</u>
Total	<u>15,453,758</u>	<u>10,987,858</u>

Analysis of Academies by cost

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2014 £	Total 2013 £
Tregonwell Academy	2,911,213	60,740	50,991	812,133	3,835,077	4,947,580
Queens Park Academy	1,272,469	10,512	35,141	337,014	1,655,136	1,217,533
Longspee Academy	1,156,125	5,953	15,144	171,486	1,348,708	-
Academy Trust	<u>5,339,807</u>	<u>77,205</u>	<u>101,276</u>	<u>1,320,633</u>	<u>6,838,921</u>	<u>6,165,113</u>

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2014

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2014 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds 2014	Total Funds 2013
	£	£	£	£	£
Tangible fixed assets	-	-	16,329,115	16,329,115	11,412,633
Current assets	1,342,280	422,918	-	1,765,198	1,112,173
Current liabilities	(626,555)	-	-	(626,555)	(267,948)
Pension scheme liability	-	(2,014,000)	-	(2,014,000)	(1,269,000)
Total net assets	715,725	(1,591,082)	16,329,115	15,453,758	10,987,858

18. FINANCIAL COMMITMENTS

Operating leases

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

	2014 £	2013 £
Other		
Expiring within one year	2,456	3,458
Expiring within two to five years	10,841	-
	<u>13,297</u>	<u>3,458</u>

19. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net income	4,857,900	11,362,858
Depreciation	403,809	314,981
Capital grants from DfE/EFA and other capital income	(5,320,291)	(11,727,614)
Interest receivable	(1,105)	(752)
Cash transferred on conversion to an Academy Trust	(120,266)	(539,265)
FRS 17 pension cost less contributions payable non-cash item	288,000	836,000
FRS 17 pension finance income	65,000	58,000
Increase in debtors	(395,531)	(449,208)
Increase in creditors	358,607	267,948
Net cash inflow from operating activities	136,123	122,948

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2014

20. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2014	2013
	£	£
Interest received	<u>1,105</u>	<u>752</u>
Net cash inflow from returns on investment and servicing of finance	<u>1,105</u>	<u>752</u>

21. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2014	2013
	£	£
Purchase of tangible fixed assets	<u>283,159</u>	<u>93,965</u>
Capital grants from DfE/EFA and other capital income	<u>(283,159)</u>	<u>(93,965)</u>
Net cash outflow from capital expenditure and financial investment	<u>-</u>	<u>-</u>

22. ACQUISITIONS AND DISPOSALS

	2014	2013
	£	£
Cash transferred on conversion to an Academy Trust	<u>120,266</u>	<u>539,265</u>

23. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Sep 13	Cash flows	At 31 Aug 14
	£	£	£
Cash in hand and at bank	<u>662,965</u>	<u>257,494</u>	<u>920,459</u>

24. MEMBERS' LIABILITY

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

25. PENSION AND SIMILAR OBLIGATIONS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2013.

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

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2014

25. PENSION 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.

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25. PENSION AND SIMILAR OBLIGATIONS *(continued)*

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% basis.

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 is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy 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 has set out above the information available on the scheme.

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25. PENSION AND SIMILAR OBLIGATIONS *(continued)*

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate Trustee administered funds. The total contribution made for the year ended 31 August 2014 was £301,000, of which the employer's contributions totalled £229,000 and the employees' contributions totalled £72,000. The agreed contribution rates for future years are 17.4% for employers and 5.5% to 8.5% for employees.

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

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

Principal Actuarial Assumptions

	At 31 Aug 14	At 31 Aug 13
Rate of increase in salaries	4.2%	4.9%
Rate of increase for pensions in payment / inflation	2.7%	2.9%
Discount rate for scheme liabilities (Queens Park is 3.9%)	4.0%	4.7%
Inflation assumption (CPI)	2.7%	2.9%
Commutation of pensions to lump sums	50%	50%

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

	At 31 Aug 14	At 31 Aug 13
Retiring today		
Males	22.7	20.1
Females	25.1	24.1
Retiring in 20 years		
Males	24.9	22.1
Females	27.4	26.0

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YEAR ENDED 31 AUGUST 2014

25. PENSION AND SIMILAR OBLIGATIONS *(continued)*

Local Government Pension Scheme *(continued)*

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

	Expected Return at 31 Aug 14	Total Fair Value at 31 Aug 14 £	Expected Return at 31 Aug 13	Total Fair Value at 31 Aug 13 £
Alternative assets	5%	76,000	N/A	-
Equities	55%	849,000	62%	548,000
Gilts	20%	311,000	20%	177,000
Property	9%	143,000	8%	71,000
Cash	9%	144,000	5%	44,000
Absolute return portfolio	2%	35,000	5%	44,000
Total market value of assets		<u>1,558,000</u>		<u>884,000</u>
Present value of scheme liabilities				
- Funded		(3,510,000)		(2,093,000)
Present value of unfunded obligation		<u>(62,000)</u>		<u>(60,000)</u>
Deficit in the scheme		<u><u>(2,014,000)</u></u>		<u><u>(1,269,000)</u></u>

The return on gilts and other bonds are assumed to be gilt yield and corporate bond yield (with an allowance for defaults) respectively at the relevant date. The returns on equities and property are then assumed to be margin above gilt yields.

The actual return on scheme assets was £143,000 (2013 - £110,000).

A deficit of £241,000 was transferred in on conversion of Longspee Academy.

Amounts recognised in the statement of financial activities

	Tregonwell Academy 2014 £	Queens Park Academy 2014 £	Longspee Academy 2014 £	Total 2014 £	Total 2013
Current service cost (net of employee contributions)	(147,000)	(75,000)	(54,000)	(276,000)	(204,000)
Past service cost	-	-	-	-	-
Total operating charge	<u><u>(147,000)</u></u>	<u><u>(75,000)</u></u>	<u><u>(54,000)</u></u>	<u><u>(276,000)</u></u>	<u><u>(204,000)</u></u>

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YEAR ENDED 31 AUGUST 2014

25. PENSION AND SIMILAR OBLIGATIONS *(continued)*

Local Government Pension Scheme *(continued)*

Analysis of pension finance income / (costs)

	Tregonwell Academy 2014 £	Queens Park Academy 2014 £	Longspee Academy 2014 £	Total 2014 £	Total 2013
Expected return on pension scheme assets	37,000	15,000	11,000	63,000	39,000
Interest on pension liabilities	<u>(76,000)</u>	<u>(32,000)</u>	<u>(20,000)</u>	<u>(128,000)</u>	<u>(97,000)</u>
Pension finance costs	<u>(39,000)</u>	<u>(17,000)</u>	<u>(9,000)</u>	<u>(65,000)</u>	<u>(58,000)</u>

The actual gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £392,000 loss (2013 - £375,000 loss).

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

	Tregonwell Academy 2014 £	Queens Park Academy 2014 £	Longspee Academy 2014 £	Total 2014 £	Total 2013 £
At 1 September 2013					
Opening defined benefit obligation	1,528,000	625,000	394,000	2,547,000	1,356,000
Current service cost	147,000	75,000	54,000	276,000	204,000
Past service cost	-	-	-	-	-
Interest cost	76,000	32,000	20,000	128,000	97,000
Employee contributions	42,000	17,000	13,000	72,000	71,000
Actuarial loss	457,000	78,000	24,000	559,000	447,000
Unfunded pension payments	(3,000)	-	-	(3,000)	(4,000)
Benefits paid	<u>(7,000)</u>	<u>-</u>	<u>-</u>	<u>(7,000)</u>	<u>(18,000)</u>
At 31 August 2014	<u>2,240,000</u>	<u>827,000</u>	<u>505,000</u>	<u>3,572,000</u>	<u>2,153,000</u>

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YEAR ENDED 31 AUGUST 2014

25. PENSION AND SIMILAR OBLIGATIONS *(continued)*

Local Government Pension Scheme *(continued)*

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

	Tregonwell Academy 2014 £	Queens Park Academy 2014 £	Longspee Academy 2014 £	Total 2014 £	Total 2013 £
At 1 September 2013					
Opening fair value of scheme assets	624,000	260,000	153,000	1,037,000	494,000
Expected gain on assets	37,000	15,000	11,000	63,000	39,000
Actuarial gain	138,000	19,000	10,000	167,000	72,000
Employer contributions	136,000	53,000	40,000	229,000	230,000
Employee contributions	42,000	17,000	13,000	72,000	71,000
Assets distributed on settlements	-	-	-	-	-
Transfer in of new members	-	-	-	-	-
Benefits paid	(10,000)	-	-	(10,000)	(22,000)
At 31 August 2014	<u>967,000</u>	<u>364,000</u>	<u>227,000</u>	<u>1,558,000</u>	<u>884,000</u>

The estimated value of employer contributions for the year ended 31 August 2015 is £211,000.

The current year history of experience adjustments is as follows:

	2014	2013
	£	£
Present value of defined benefit obligations	(3,572,000)	(2,153,000)
Fair value of share of scheme assets	1,558,000	884,000
Deficit in the scheme	<u>(2,014,000)</u>	<u>(1,269,000)</u>
Experience adjustments on share of scheme assets	<u>167,000</u>	<u>72,000</u>
Experience adjustments on scheme liabilities	<u>64,000</u>	<u>-</u>

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26. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations, the Academies Financial Handbook and normal procurement procedures.

The following related party transactions took place in the period of account:

One of the academies hired facilities to the value of £3,100 from Townsend Youth Partnership, an entity in which Mr R Smith, a Director of the Trust, is a Director and Trustee. The Trust ensures a competitive tendering process is followed which Mr R Smith neither participated in, influenced nor benefited from.

The Trust is controlled by the Board of Trustees.

27. EVENTS AFTER THE BALANCE SHEET DATE

Kings Park Primary School has been approved for conversion to Academy status in November 2014 and is in the process of joining the Trust.

28. CONVERSION TO AN ACADEMY TRUST

On 1 September 2013 Longspee School converted to Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Trust from the Poole Borough Council Local Authority for £Nil consideration.

In addition the service level agreement for Nigel Bowes Centre and Throop Learning Centre ceased on 31 July 2014 and the activities, including the leasehold property, was transferred to Tregonwell Academy on 1 August 2014.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as transfer from Local Authority on conversion.

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28. CONVERSION TO AN ACADEMY TRUST *(continued)*

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

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2014 £	Total Funds 2013 £
Tangible fixed assets					
Leasehold land and buildings	-	-	5,037,132	5,037,132	11,633,649
Budget surplus on LA funds	120,266	-	-	120,266	539,265
LGPS pension deficit	-	(241,000)	-	(241,000)	(862,000)
Net assets/ (liabilities)	<u>120,266</u>	<u>(241,000)</u>	<u>5,037,132</u>	<u>4,916,398</u>	<u>11,310,914</u>

The above net assets include £120,266 that was transferred as cash.

The leasehold land and buildings were transferred by way of a long term lease over 125 years.