

**ASPIRE ACADEMIES TRUST**

**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

WEDNESDAY



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COMPANIES HOUSE



**MHA MacIntyre Hudson**

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**ASPIRE ACADEMIES TRUST****(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Members**

Gbola Adeleke	
Carrie Bennett	appointed 09/10/2018
Prasad Pitale	
Alison Woodhams	
Carole Connelly	
Louise Meikle	resigned 09/10/2018

**Trustees**

Graham Barrett	appointed 31/10/2017
Christopher Canfield	appointed 16/07/2018
Carole Connelly	appointed 09/10/2018
Ross Hayward	
Vicky Parsey	CEO and Accounting Officer
Prasad Pitale	Chair
Dave Stent	
Carrie Bennett	resigned 09/10/2018

**Senior Management Team**

Vicky Parsey	CEO and Accounting Officer	
Lyndon Evans	Executive Principal	appointed 01/09/2018
Karen Land	CFO	

**Company Name**

Aspire Academies Trust

**Principal and Registered Office**

High Street, Bovingdon, Hertfordshire HP3 0HL

**Company Registered Number**

08187216 (England & Wales)

**Independent Auditor**

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

**Bankers**

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

**Solicitors**

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

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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

As at 31 August 2018 Aspire Academies Trust consists of five primary academies (Bedmond Academy, Bovington Primary Academy, Broadfield Academy, Hammond Academy, The Grove Academy) and the West Hertfordshire Teaching School Partnership, all operating in South West Hertfordshire. The Trust academies are for pupils aged 4 to 11 years. It has a combined pupil capacity of 2465 and had a roll of 2050 in the school census in October 2018.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

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

The Trustees of Aspire Academies Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company operates as Aspire Academies Trust.

West Hertfordshire Teaching Schools Partnership, company number 08240993, is a subsidiary company wholly owned by Aspire Academies Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

**Members' Liability**

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

**Trustees' Indemnities**

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

**Method of Recruitment and Appointment or Election of Trustees**

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

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

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

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**Policies and Procedures Adopted for the Induction and Training of Trustees**

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

**Organisational Structure**

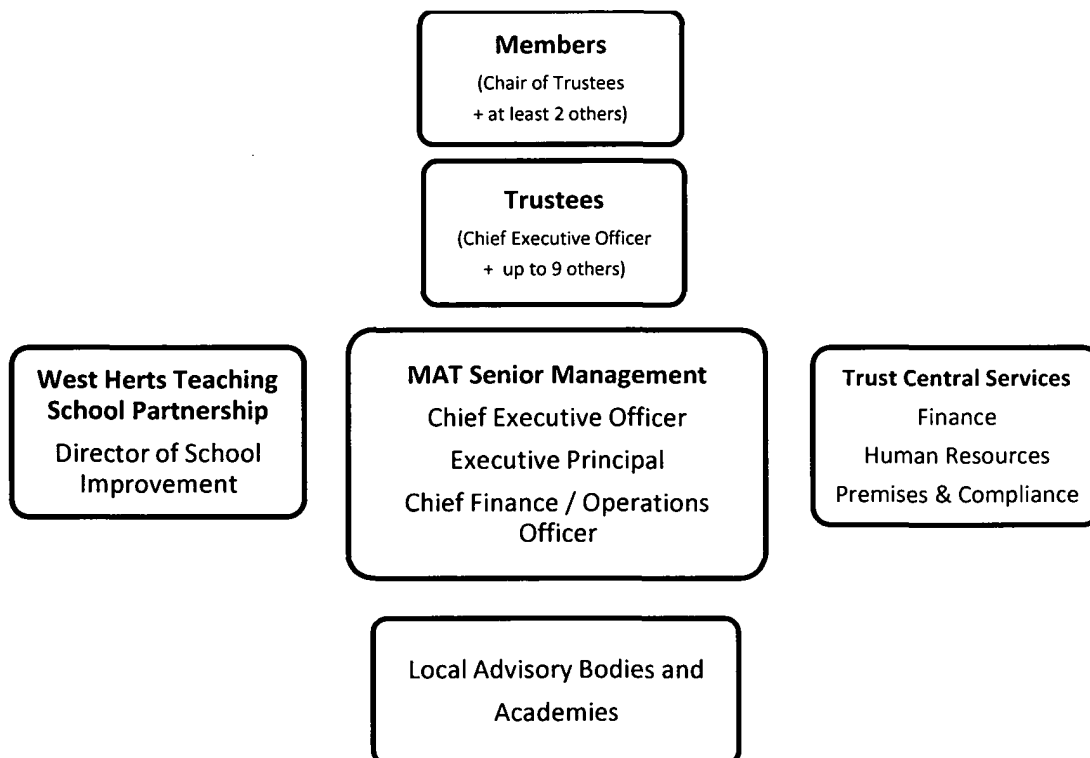
Aspire Academies Trust currently contains the following academies:

- Bedmond Academy
- Bovingdon Primary Academy
- Broadfield Academy
- Hammond Academy
- The Grove Academy

A further school, Knutsford Primary School, will convert to an academy and join the Trust in November 2018.

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

From September 2018 the structure includes an Executive Principal who will work in a dual role of leadership and school improvement across all Trust schools. The structure is



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

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

The Trustees are responsible for setting general policy, adopting an annual strategic plan and budget, approving the statutory accounts, monitoring each academy's performance by the use of budgets and other data, and making major decisions about the direction of each academy's capital expenditure. Trustees are responsible for the appointment of the Senior Management positions within the organisation and Chairs of the Local Advisory Bodies.

The Chief Executive Officer is supported by the MAT Senior Management Team, Aspire Central Team and the Principal and Senior Leadership Team of each Academy. This group control the Academies at an executive level implementing the strategy and policies laid down by the Trustees and reporting back to them. As a group they are responsible for the authorisation of spending and appointment of staff.

Each Local Advisory Body receives delegated authority from the Academy Trust Board to support the Trustees in fulfilling its obligations in the areas of Children, Curriculum and Community.

**Arrangements for setting pay and remuneration of key management personnel**

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

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

**Employees and disabled persons**

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

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

- Equal Opportunities Policy
- Health and Safety Policy

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

**Trade union facility time**

No member of staff in Aspire Academies Trust is a trade union representative therefore the percentage facility time and percentage pay bill is zero.

**Related Parties and other Connected Charities and Organisations**

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

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

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

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

## **OBJECTIVES AND ACTIVITIES**

### **Objects and Aims**

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

The main objects / aims of the Trust during the period ended 31 August 2018 are summarised below

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

### **Objectives, Strategies and Activities**

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

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

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

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

### **Public Benefit**

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

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

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**STRATEGIC REPORT**

**Achievements and Performance**

Aspire Academies Trust provided education for approximately 2050 children across South West Hertfordshire in the period ending 31 August 2018.

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

Achievements within the Trust are supported by the following strengths:

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

Value for money has been secured through robust financial monitoring and control frameworks underpinned by the oversight maintained by the Trustees and MAT Senior Management Team. The Trust has secured efficiency savings of 1% during the course of the financial year.

**Key Performance Indicators**

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

To ensure sustainability, staff costs as a % of income and expenditure are monitored by Trustees when approving the consolidated annual budget for the following financial year. Trustees are aware of the ESFA guidance on staff expenditure and have an expectation that its Academies are working towards these percentages. All Academies are required to produce a balanced in year budget.

	<b>2017-2018 Actual</b>	<b>ESFA Guidance</b>
Salary Costs to ESFA Revenue Income	81.8% *	80%
Salary Costs to Total Income	72.4%	<74%
Salary Costs as % Total Expense	77.0%	>70%

\*Includes Children's Centre staff not funded by ESFA revenue income. Salary costs to total income give a truer picture.

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

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

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

The Trust maintains results in line with the national average; this is expected to continue and demonstrates the



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

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Trust's education objectives.

	<b>Trust's Performance 2018</b>	<b>National 2018</b>
Reading Expected Standard	70%	75%
Reading Greater Depth	24%	28%
Writing Expected Standard	69%	78%
Writing Greater Depth	20%	n/a
Maths Expected Standard	69%	76%
Maths Greater Depth	17%	24%
Grammar, Punctuation & Spelling Expected Standard	75%	78%
Grammar, Punctuation & Spelling Greater Depth	31%	34%
Reading, Writing & Maths Expected Standard	57%	64%
Reading, Writing & Maths Greater Depth	9%	10%

**Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that Aspire Academies Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**FINANCIAL REVIEW**

During the period ended 31 August 2018, total expenditure excluding depreciation and Local Government Pension Scheme movements of £8,881,488 was covered by recurrent grant funding from the DfE (via the Education and Skills Funding Agency) together with other incoming resources.

At 31 August 2018 the net book value of fixed assets was £23,363,575 and movements in tangible fixed assets are shown in note 13 to the financial statements. Capital expenditure in the period was £494,598. All the assets were used exclusively for providing education and the associated support services to the pupils of Aspire Academies Trust.

Restricted funds include a pension reserve deficit of £2,687,000 as detailed in note 24 which may result in the Trust having to make additional contributions in future years.

**Reserves Policy**

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

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

Future financial cost pressures for each of the Academies may reduce the level of financial reserves in the long term. The Board of Trustees have agreed that the consolidated minimum level of reserves held for revenue purposes should be no less than two months of the combined General Annual Grant for all schools. The reserve balance should only decrease due to capital investment and / or other organisational needs which shall at all times be approved by the Finance Committee.

At 31 August 2018 the total funds comprised:

Unrestricted		815,397
Restricted:	Fixed asset funds	23,625,555
	Pension reserve	(2,687,000)
	Other	1,483,802
		<u>23,237,754</u>

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

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**Investment Policy**

There are no material investments held by Aspire Academies Trust.

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

**Principal Risks and Uncertainties**

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

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

**FUNDRAISING**

Each Academy within Aspire Academies Trust works in partnership with their school parents association to raise funds to wholly benefit the education of its pupils. The local association is accountable to the parent community reporting on the funds they have raised.

Principals and SLT encourage pupils to fundraise for Charities of their choice. In each Academy the pupil council will be involved to nominate a fundraising activity and decide on the charity. Beneficiaries have included Children in Need, UNICEF, Air Ambulance and Red Nose Day in the current year.

**PLANS FOR FUTURE PERIODS**

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

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

The Trust plans for growth in the number of Academies it runs. It is anticipated that by the end of the next accounting year there will be at least 6 schools within the organisation. Trustees and Members continue to review the organisational structure to ensure it meets the requirements of a growing Multi-Academy Trust.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

None

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

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**AUDITOR**

In so far as the trustees are aware:

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

This Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 5<sup>th</sup> December 2018 and signed on the board's behalf by:



.....  
**Prasad Pitale**  
Chair of Trustees

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**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**SCOPE OF RESPONSIBILITY**

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Aspire Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Prasad Pitale (Chairman)	5	5
Vicky Parsey (CEO & Accounting Officer)	5	5
Graham Barrett	4	5
Carrie Bennett (resigned 09/10/2018)	5	5
Christopher Canfield (appointed 16/07/2018)	1	1
Ross Hayward	3	5
Dave Stent	5	5

During the year the Board of Trustees undertook a skills audit and identified areas for future Trustee recruitment, namely individuals with community and education skills. Recruitment has been successful during the year.

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to ensure that the highest standards of financial governance are met and review any issues that may impact the finances of the Academy Trust.

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

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

Attendance at meetings in the year was as follows:

	<b>Meetings attended</b>	<b>Out of a possible</b>
Prasad Pitale (Chair)	4	4
Vicky Parsey (CEO & Accounting Officer)	4	4
Karen Land (CFO)	4	4
Carrie Bennett (resigned 19/10/2017)	1	1
Alison Woodhams (appointed 20/02/2018)	3	3

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**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**REVIEW OF VALUE FOR MONEY**

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

The Accounting Officer considers how Aspire Academies Trust use of resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for Aspire Academies Trust has delivered improved value for money during the year by:

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

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Aspire Academies Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Aspire Academies Trust for the period 01 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which Aspire Academies Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing Aspire Academies Trust's significant risks that has been in place for the period 01 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**THE RISK AND CONTROL FRAMEWORK**

Aspire Academies Trust internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees

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**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has appointed MHA MacIntyre Hudson to perform the responsible officer role.

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

- testing of all financial controls, including purchases, payroll, debit card, and banking, following centralisation of the finance function
- testing of procedures introduced for conversion of 2 new schools into the Trust

The report identified some additional areas of control as all Trust finances are dealt with by a central finance team. Following discussion these have been adopted and incorporated into the finance manual.

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

**REVIEW OF EFFECTIVENESS**

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

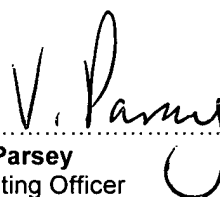
- the work of the internal auditor
- the work of the external auditor
- the work of the executive managers within the Aspire Academies Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and ensures continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 5<sup>th</sup> December 2018 and signed on its behalf by:



Prasad Pitale  
Chair of Trustees



Vicky Parsey  
Accounting Officer

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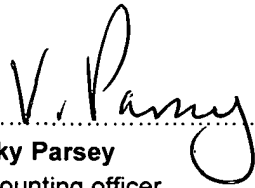
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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

I confirm that I and the Aspire Academies Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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

  
.....  
**Vicky Parsey**  
Accounting officer

5<sup>th</sup> December 2018

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable Group will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 5<sup>th</sup> Dec 2018 and signed on its behalf by:



.....  
**P Pitale**  
Trustee



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**ASPIRE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

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**OPINION**

We have audited the financial statements of Aspire Academies Trust (the 'parent academy') and its subsidiaries (the 'group') for the year ended 31 August 2018 which comprise the Consolidated Statement of Financial Activities incorporating Income and Expenditure Account, the Consolidated Balance Sheet, Academy Trust Balance Sheet and the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

**BASIS FOR OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

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**ASPIRE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

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**OTHER INFORMATION**

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

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

**RESPONSIBILITIES OF TRUSTEES**

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

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**ASPIRE ACADEMIES TRUST**  
(A Company Limited by Guarantee)

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

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

**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**USE OF OUR REPORT**

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

BIANCA SILVA BA ACA DChA (Senior Statutory Auditor)

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

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

Date:

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**ASPIRE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

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In accordance with the terms of our engagement letter dated 13 July 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Aspire Academies Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Aspire Academies Trust's funding agreement with the Secretary of State for Education dated 31 August 2012, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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**ASPIRE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

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The work undertaken to draw to our conclusion includes:

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

**CONCLUSION**

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

Reporting Accountant

**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

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

Date:

**ASPIRE ACADEMIES TRUST**  
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>						
Donations & capital grants:						
Academy transfer on conversion	2	-	(341,898)	9,291,494	8,949,596	-
Other donations and capital grants	2	-	-	472,953	472,953	268,197
Charitable activities:						
Teaching school	5	-	96,998	-	96,998	100,565
Other charitable activities	5	285,129	9,060,130	-	9,345,259	6,987,719
Other trading activities	3	456,914	9,300	-	466,214	490,484
Investments	4	1,716	-	-	1,716	2,216
<b>TOTAL INCOME</b>		<b>743,759</b>	<b>8,824,530</b>	<b>9,764,447</b>	<b>19,332,736</b>	<b>7,849,181</b>
<b>EXPENDITURE ON:</b>						
Raising funds	6	51,020	354	-	51,374	41,173
Charitable activities:						
Teaching school	7	-	83,786	-	83,786	71,644
Other charitable activities	7	439,182	9,648,146	662,589	10,749,917	7,858,139
<b>TOTAL EXPENDITURE</b>	<b>6</b>	<b>490,202</b>	<b>9,732,286</b>	<b>662,589</b>	<b>10,885,077</b>	<b>7,970,956</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>		<b>253,557</b>	<b>(907,756)</b>	<b>9,101,858</b>	<b>8,447,659</b>	<b>(121,775)</b>
Transfers between Funds	16	-	(73,900)	73,900	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>253,557</b>	<b>(981,656)</b>	<b>9,175,758</b>	<b>8,447,659</b>	<b>(121,775)</b>
Actuarial gains on defined benefit pension schemes	24	-	816,000	-	816,000	1,253,000
<b>NET MOVEMENT IN FUNDS</b>		<b>253,557</b>	<b>(165,656)</b>	<b>9,175,758</b>	<b>9,263,659</b>	<b>1,131,225</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward	16	561,840	(1,037,542)	14,449,797	13,974,095	12,842,870
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>815,397</b>	<b>(1,203,198)</b>	<b>23,625,555</b>	<b>23,237,754</b>	<b>13,974,095</b>

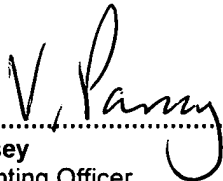
The notes on pages 24 to 57 form part of these financial statements.


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

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	13		23,363,575		14,240,071
<b>CURRENT ASSETS</b>					
Debtors	14	346,987		492,673	
Cash at bank and in hand	21	3,129,937		1,964,355	
			<u>3,476,924</u>	<u>2,457,028</u>	
<b>CREDITORS: amounts falling due within one year</b>	15	(915,745)		(561,004)	
<b>NET CURRENT ASSETS</b>			<u>2,561,179</u>		<u>1,896,024</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>25,924,754</u>		<u>16,136,095</u>
Defined benefit pension scheme liability	24		<u>(2,687,000)</u>		<u>(2,162,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>23,237,754</u></u>		<u><u>13,974,095</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	16	1,483,802		1,124,458	
Restricted fixed asset funds	16	23,625,555		14,449,797	
			<u>25,109,357</u>	<u>15,574,255</u>	
Restricted income funds excluding pension liability					
Pension reserve	16	(2,687,000)		(2,162,000)	
			<u>22,422,357</u>	<u>13,412,255</u>	
Total restricted income funds					
Unrestricted income funds	16		815,397		561,840
<b>TOTAL FUNDS</b>			<u><u>23,237,754</u></u>		<u><u>13,974,095</u></u>

The financial statements on pages 20 to 57 were approved by the Trustees, and authorised for issue, on 5<sup>th</sup> Dec 2018 and are signed on their behalf, by:

  
.....  
**V Parsey**  
Accounting Officer

  
.....  
**P Pitale**  
Trustee

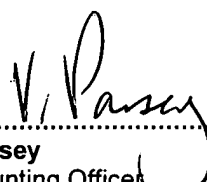
The notes on pages 24 to 57 form part of these financial statements.


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

**ACADEMY TRUST BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	13		23,363,575		14,240,071
<b>CURRENT ASSETS</b>					
Debtors	14	349,198		490,828	
Cash at bank		3,095,414		1,940,353	
		<u>3,444,612</u>		<u>2,431,181</u>	
<b>CREDITORS:</b> amounts falling due within one year	15	(883,126)		(534,850)	
<b>NET CURRENT ASSETS</b>			<u>2,561,486</u>		<u>1,896,331</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>25,925,061</u>		<u>16,136,402</u>
Defined benefit pension scheme liability	24		(2,687,000)		(2,162,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>23,238,061</u></u>		<u><u>13,974,402</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds	17	1,483,802		1,124,458	
Restricted fixed asset funds	17	<u>23,625,555</u>		<u>14,449,797</u>	
Restricted funds excluding pension reserve		<u>25,109,357</u>		<u>15,574,255</u>	
Pension reserve	17	(2,687,000)		(2,162,000)	
Total restricted funds			<u>22,422,357</u>		<u>13,412,255</u>
Unrestricted funds	17		<u>815,704</u>		<u>562,147</u>
<b>TOTAL FUNDS</b>			<u><u>23,238,061</u></u>		<u><u>13,974,402</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 5<sup>th</sup> Dec 2018 and are signed on their behalf, by:

  
V Parsey  
Accounting Officer

  
P Pitale  
Trustee

The notes on pages 24 to 57 form part of these financial statements.



**ASPIRE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	<b>Note</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	<u>1,185,511</u>	<u>65,803</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		1,716	2,216
Purchase of tangible fixed assets		(494,598)	(473,369)
Capital grants from DfE Group		<u>472,953</u>	<u>268,197</u>
<b>Net cash used in investing activities</b>		<u>(19,929)</u>	<u>(202,956)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>1,165,582</b>	<b>(137,153)</b>
Cash and cash equivalents brought forward		<u>1,964,355</u>	<u>2,101,508</u>
<b>Cash and cash equivalents carried forward</b>	21	<u><u>3,129,937</u></u>	<u><u>1,964,355</u></u>

The notes on pages 24 to 57 form part of these financial statements.

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**ASPIRE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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

**1.2 Basis of consolidation**

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

The Academy Trust has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Statement of Financial Activities incorporating Income and Expenditure Account.

**1.3 Fund accounting**

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

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

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

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

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**ASPIRE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Income**

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

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities Incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

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

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

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

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**1. ACCOUNTING POLICIES (continued)**

**1.5 Expenditure**

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

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

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

All expenditure is inclusive of irrecoverable VAT.

**1.6 Going concern**

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

**1.7 Operating leases**

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

**1.8 Taxation**

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

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

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**1. ACCOUNTING POLICIES (continued)**

**1.9 Tangible fixed assets and depreciation**

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

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

Depreciation is not charged on leasehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

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

**1.10 Investments**

The Academy's shareholding in the wholly owned subsidiary, West Hertfordshire Teaching School Partnership Limited, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

**1.11 Debtors**

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

**1.12 Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. ACCOUNTING POLICIES (continued)**

**1.13 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1.14 Liabilities and provisions**

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

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

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**1. ACCOUNTING POLICIES (continued)**

**1.15 Conversion to an academy trust**

The conversion from state maintained schools to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Broadfield Primary School and Bedmond Village Primary School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion 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 22.

**1.16 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due from the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

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**1. ACCOUNTING POLICIES (continued)**

**1.17 Critical accounting estimates and areas of judgment**

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

*Critical accounting estimates and assumptions:*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

*Critical areas of judgment:*

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

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Academy transfer on conversion	-	(341,898)	9,291,494	8,949,596	-
Capital grants	-	-	423,543	423,543	238,907
Devolved formula capital grants	-	-	49,410	49,410	29,290
Subtotal	-	-	472,953	472,953	268,197
	-	(341,898)	9,764,447	9,422,549	268,197
Total 2017	-	-	268,197	268,197	



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**3. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	19,013	-	19,013	14,095
School clubs	210,942	-	210,942	214,341
Trading subsidiary income	115,404	-	115,404	136,643
Other income	36,141	9,300	45,441	81,438
Consultancy & training income	52,137	-	52,137	13,219
School fund	23,277	-	23,277	30,748
	<u>456,914</u>	<u>9,300</u>	<u>466,214</u>	<u>490,484</u>
Total 2017	<u>490,484</u>	<u>-</u>	<u>490,484</u>	

**4. INVESTMENT INCOME**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest receivable	1,716	-	1,716	2,216
Total 2017	<u>2,216</u>	<u>-</u>	<u>2,216</u>	

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**5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	7,023,916	7,023,916	5,271,324
Pupil premium	-	554,589	554,589	411,381
Other DfE/ESFA grants	-	424,751	424,751	414,202
National college grants	-	96,998	96,998	100,565
	-	8,100,254	8,100,254	6,197,472
<b>Other government grants</b>				
SEN income	-	73,282	73,282	93,955
Schools early years funding	-	492,198	492,198	417,125
Other LA income	-	120,366	120,366	112,604
	-	685,846	685,846	623,684
<b>Other funding</b>				
Music income	4,888	-	4,888	34,423
Trips and activities	115,702	-	115,702	104,839
Catering income	164,539	-	164,539	127,866
Other children's centre income	-	371,028	371,028	-
	285,129	371,028	656,157	267,128
	285,129	9,157,128	9,442,257	7,088,284
<b>Total 2017</b>	267,128	6,821,156	7,088,284	

There are no unfulfilled conditions or other contingencies attached to the government grants above.

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**6. EXPENDITURE**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising trading:					
Direct costs	-	-	51,374	51,374	41,173
Support costs	-	-	-	-	-
Academy's educational operations:					
Direct costs	6,135,482	-	700,686	6,836,168	5,026,700
Support costs	2,060,532	1,012,914	840,303	3,913,749	2,831,439
Trading school subsidiary					
Direct costs	-	-	74,662	74,662	61,551
Support costs	-	-	9,124	9,124	10,093
	<u>8,196,014</u>	<u>1,012,914</u>	<u>1,676,149</u>	<u>10,885,077</u>	<u>7,970,956</u>
Total 2017	<u>5,842,990</u>	<u>792,919</u>	<u>1,335,047</u>	<u>7,970,956</u>	

In 2018, of the total expenditure of £10,885,077 (2017: £7,970,956) £490,202 (2017: £445,494) was to unrestricted funds, £9,732,286 (2017: £6,952,231) was to restricted funds and £662,589 (2017: £573,231) was to restricted fixed asset funds.

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**7. CHARITABLE ACTIVITIES**

	Total funds 2018 £	Total funds 2017 £
<b>DIRECT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	6,135,482	4,454,851
Other staff expenses	69,261	103,936
Educational supplies	296,822	230,702
School trip expenditure	125,003	107,152
ICT learning resources	76,038	35,689
Bought in professional services	133,562	94,370
	<u>6,836,168</u>	<u>5,026,700</u>
<b>SUPPORT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	2,060,532	1,388,139
Depreciation	662,589	573,231
Pension finance cost	75,000	67,000
ICT expenses	52,153	42,484
Bought in professional services	66,949	41,966
Travel and security	17,882	10,435
Maintenance	223,427	163,411
Cleaning	57,670	22,267
Rates	27,477	20,754
Energy	113,211	84,983
Catering	282,475	191,737
Insurance	40,991	48,887
Other support costs	181,666	130,747
Governance costs	51,727	45,398
	<u>3,913,749</u>	<u>2,831,439</u>
	<u>10,749,917</u>	<u>7,858,139</u>
<b>TRADING SUBSIDIARY COSTS</b>		
Direct costs	74,662	61,551
Support costs	9,124	10,093
	<u>83,786</u>	<u>71,644</u>
	<u>10,833,703</u>	<u>7,929,783</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**8. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES**

Included within expenditure are the following transactions:

	<b>Total</b>	<b>Individual items above £5,000</b>
	<b>£</b>	<b>Amount</b>
		<b>£</b>
Gifts made by the trust	<b>1,195</b>	<b>-</b>

**9. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the charitable group	<b>662,589</b>	<b>573,231</b>
Auditors' remuneration - audit	<b>20,000</b>	<b>15,000</b>
Auditors' remuneration - other services	<b>5,500</b>	<b>5,200</b>
Operating lease rentals	<b>35,979</b>	<b>30,063</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**10. STAFF COSTS**

**a. Staff costs**

Staff costs during the year were as follows:

	2018 £	2017 £
Wages and salaries	5,668,040	4,117,127
Social security costs	449,915	319,195
Pension costs	1,532,747	994,808
	<u>7,650,702</u>	<u>5,431,130</u>
Agency staff costs	536,693	404,513
Staff restructuring costs	8,619	7,347
	<u>8,196,014</u>	<u>5,842,990</u>

Staff restructuring costs comprise:

	2018 £	2017 £
Redundancy payments	<u>8,619</u>	<u>7,347</u>

**b. Staff numbers**

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

	2018 No.	2017 No.
Teaching	74	50
Administration and support	243	191
Management	23	22
	<u>340</u>	<u>263</u>

**c. Higher paid staff**

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	0
In the band £90,001 - £100,000	0	1
In the band £100,001 - £110,000	1	0

The above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2017, pension contributions amounted to £38,320 (2017: £23,394).

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

**d. Key management personnel**

The key management personnel of the Academy Trust comprises the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension and employer's national insurance contributions) received by key management personnel for their services to the Academy Trust was £196,049 (2017: £259,274).

**11. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES**

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

		2018 £	2017 £
V Parsey	Remuneration	100,000-105,000	95,000-100,000
	Pension contributions paid	15,000-20,000	15,000-20,000

During the year ended 31 August 2018, one Trustee (2017 - one trustee) received reimbursement of expenses relating to travel and subsistence for £213 (2017 - £2,044).

**12. TRUSTEES' AND OFFICERS' INSURANCE**

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

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**13. TANGIBLE FIXED ASSETS**

Group and Academy trust	Long leasehold property £	Motor vehicles £	Computer equipment £	Fixtures and fittings £	Total £
<b>Cost</b>					
At 1 September 2017	15,098,028	13,000	465,848	503,136	16,080,012
Additions	268,698	-	68,284	157,616	494,598
Academy transfer	9,263,000	-	10,523	17,972	9,291,495
Disposals	-	-	(4,800)	-	(4,800)
At 31 August 2018	24,629,726	13,000	539,855	678,724	25,861,305
<b>Depreciation</b>					
At 1 September 2017	1,283,930	7,800	316,381	231,830	1,839,941
Charge for the year	488,150	2,600	80,896	90,943	662,589
On disposals	-	-	(4,800)	-	(4,800)
At 31 August 2018	1,772,080	10,400	392,477	322,773	2,497,730
<b>Net book value</b>					
At 31 August 2018	22,857,646	2,600	147,378	355,951	23,363,575
At 31 August 2017	13,814,098	5,200	149,467	271,306	14,240,071

Included in long leasehold property is land held at valuation of £10,677,538 (2017: £4,794,538) which is not depreciated.

The Trust's transactions included in long leasehold property comprised roof refurbishment at Bovingdon, Grove and Hammond Academy as well as other improvements at Bovingdon Academy.

Within long leasehold property was land and buildings transferred into Aspire Academies Trust amounting to £9,263,000. More details are disclosed in note 22.

**14. DEBTORS**

	Group		Academy Trust	
	2018 £	2017 £	2018 £	2017 £
Trade debtors	2,544	37,973	1,536	29,743
Amounts owed by group undertakings	-	-	23,217	32,745
VAT recoverable	63,419	31,403	63,419	31,403
Other debtors	161,219	321,630	161,138	321,630
Prepayments and accrued income	119,805	101,667	99,888	75,307
	346,987	492,673	349,198	490,828



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**15. CREDITORS: Amounts falling due within one year**

	<b>Group</b>		<b>Academy Trust</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	<b>102,693</b>	67,788	<b>78,810</b>	67,788
Other taxation and social security	<b>250,861</b>	171,349	<b>250,861</b>	170,299
Other creditors	-	19,695	-	19,695
Accruals and deferred income	<b>562,191</b>	302,172	<b>553,455</b>	277,068
	<b>915,745</b>	561,004	<b>883,126</b>	534,850

	<b>Group</b>		<b>Academy Trust</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Deferred income</b>				
Deferred income at 1 September 2017	<b>176,242</b>	<b>174,368</b>	<b>156,807</b>	<b>174,368</b>
Resources deferred during the year	<b>368,558</b>	<b>176,242</b>	<b>368,558</b>	<b>156,807</b>
Amounts released from previous years	<b>(176,242)</b>	<b>(174,368)</b>	<b>(156,807)</b>	<b>(174,368)</b>
Deferred income at 31 August 2018	<b>368,558</b>	<b>176,242</b>	<b>368,558</b>	<b>156,807</b>

At the Balance Sheet date, the Academy Trust was holding funds received in advance for activities and universal free school meal grants for 2018/19.

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**16. STATEMENT OF FUNDS - GROUP**

	Balance at 1 September 2017 £	Income £	Resources expended £	Transfers £	Gains/ (losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds	562,147	628,355	(481,301)	106,503	-	815,704
Teaching school subsidiary	(307)	115,404	(8,901)	(106,503)	-	(307)
	<u>561,840</u>	<u>743,759</u>	<u>(490,202)</u>	<u>-</u>	<u>-</u>	<u>815,397</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	1,085,444	7,023,916	(7,156,110)	(73,900)	-	879,350
Pupil premium	-	554,589	(554,589)	-	-	-
Other DFE/ESFA income	-	424,751	(424,751)	-	-	-
SEN income	-	73,282	(73,282)	-	-	-
Early years funding	-	492,198	(492,198)	-	-	-
Children's centre	-	371,028	(371,028)	-	-	-
NCSL grant	39,014	96,998	(74,662)	-	-	61,350
Other government funds	-	120,366	(120,366)	-	-	-
Other restricted income	-	9,300	(9,300)	-	-	-
Academy transfer	-	543,102	-	-	-	543,102
Pension reserve	(2,162,000)	(885,000)	(456,000)	-	816,000	(2,687,000)
	<u>(1,037,542)</u>	<u>8,824,530</u>	<u>(9,732,286)</u>	<u>(73,900)</u>	<u>816,000</u>	<u>(1,203,198)</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed asset funds	14,240,071	-	(662,589)	9,786,093	-	23,363,575
Devolved formula capital	-	49,410	-	(3,163)	-	46,247
Capital improvement fund	209,726	423,543	-	(417,536)	-	215,733
Fixed assets on academy transfer	-	9,291,494	-	(9,291,494)	-	-
	<u>14,449,797</u>	<u>9,764,447</u>	<u>(662,589)</u>	<u>73,900</u>	<u>-</u>	<u>23,625,555</u>
Total restricted funds	<u>13,412,255</u>	<u>18,588,977</u>	<u>(10,394,875)</u>	<u>-</u>	<u>816,000</u>	<u>22,422,357</u>
Total of funds	<u>13,974,095</u>	<u>19,332,736</u>	<u>(10,885,077)</u>	<u>-</u>	<u>816,000</u>	<u>23,237,754</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. STATEMENT OF FUNDS - GROUP (continued)**

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

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

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

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

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

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

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

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2018 were allocated as follows:

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Bovingdon Primary Academy	247,985	214,359
Grove Academy	547,803	526,823
Hammond Academy	777,081	675,065
Central funds	254,616	270,359
West Hertfordshire Teaching School Partnership	(307)	(308)
Bedmond Academy	257,671	-
Broadfield Academy	214,350	-
Total before fixed asset fund and pension reserve	2,299,199	1,686,298
Restricted fixed asset fund	23,625,555	14,449,797
Pension reserve	(2,687,000)	(2,162,000)
Total	<u>23,237,754</u>	<u>13,974,095</u>

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**16. STATEMENT OF FUNDS - GROUP (continued)**

**Analysis of cost by Academies**

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 depreciatio n £	Total 2018 £	Total 2017 £
Bovingdon Primary Academy	1,225,521	407,950	145,699	232,308	2,011,478	2,015,514
Grove Academy	1,912,514	449,959	176,925	284,367	2,823,765	2,918,866
Hammond Academy	1,363,907	402,020	169,440	281,527	2,216,894	2,031,837
Central funds	182,027	263,403	25,003	102,519	572,952	359,864
West Hertfordshire Teaching School Partnership	-	-	74,662	9,124	83,786	71,644
Bedmond Academy	416,025	97,142	87,974	92,150	693,291	-
Broadfield Academy	1,035,488	440,058	95,645	249,131	1,820,322	-
	<u>6,135,482</u>	<u>2,060,532</u>	<u>775,348</u>	<u>1,251,126</u>	<u>10,222,488</u>	<u>7,397,725</u>

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**16. STATEMENT OF FUNDS - GROUP (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

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

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

	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers £	Gains/ (losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General funds	247,814	1,251,540	(916,702)	233,052	-	815,704
Teaching school	(308)	252,047	(18,994)	(233,052)	-	(307)
	<u>247,506</u>	<u>1,503,587</u>	<u>(935,696)</u>	<u>-</u>	<u>-</u>	<u>815,397</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	1,130,085	12,295,240	(12,314,523)	(231,452)	-	879,350
Pupil premium	-	965,970	(965,970)	-	-	-
Other DFE/ESFA income	-	838,953	(838,953)	-	-	-
SEN income	-	167,237	(167,237)	-	-	-
Early years funding	-	909,323	(909,323)	-	-	-
	-	371,028	(371,028)	-	-	-
NCSL grant	-	197,563	(136,213)	-	-	61,350
Other government funds	-	232,970	(232,970)	-	-	-
Other restricted income	-	9,300	(9,300)	-	-	-
Academy transfer	-	543,102	-	-	-	543,102
Pension reserve	(3,132,000)	(885,000)	(739,000)	-	2,069,000	(2,687,000)
	<u>(2,001,915)</u>	<u>15,645,686</u>	<u>(16,684,517)</u>	<u>(231,452)</u>	<u>2,069,000</u>	<u>(1,203,198)</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed asset funds	14,339,933	-	(1,235,820)	10,259,462	-	23,363,575
Local authority grants	-	28,340	-	(28,340)	-	-
Devolved formula capital	22,257	69,360	-	(45,370)	-	46,247
Capital improvement fund	235,089	643,450	-	(662,806)	-	215,733
Fixed assets on Academy transfer	-	9,291,494	-	(9,291,494)	-	-
	<u>14,597,279</u>	<u>10,032,644</u>	<u>(1,235,820)</u>	<u>231,452</u>	<u>-</u>	<u>23,625,555</u>
	<u>12,595,364</u>	<u>25,678,330</u>	<u>(17,920,337)</u>	<u>-</u>	<u>2,069,000</u>	<u>22,422,357</u>
<b>Total of funds</b>	<u><u>12,842,870</u></u>	<u><u>27,181,917</u></u>	<u><u>(18,856,033)</u></u>	<u><u>-</u></u>	<u><u>2,069,000</u></u>	<u><u>23,237,754</u></u>

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**17. STATEMENT OF FUNDS - ACADEMY TRUST**

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Transfers £	Gains/ losses £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General funds	562,147	743,759	(490,202)	-	-	815,704
	<u>562,147</u>	<u>743,759</u>	<u>(490,202)</u>	<u>-</u>	<u>-</u>	<u>815,704</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	1,085,444	7,023,916	(7,156,110)	(73,900)	-	879,350
Pupil premium	-	554,589	(554,589)	-	-	-
Other DFE income	-	424,751	(424,751)	-	-	-
SEN income	-	73,282	(73,282)	-	-	-
Early years funding	-	492,198	(492,198)	-	-	-
NCSL grant	39,014	96,998	(74,662)	-	-	61,350
Other restricted income	-	500,694	(500,694)	-	-	-
Academy transfer	-	543,102	-	-	-	543,102
Pension reserve	(2,162,000)	(885,000)	(456,000)	-	816,000	(2,687,000)
	<u>(1,037,542)</u>	<u>8,824,530</u>	<u>(9,732,286)</u>	<u>(73,900)</u>	<u>816,000</u>	<u>(1,203,198)</u>
<b>Restricted fixed asset fund</b>						
Restricted fixed asset funds	14,240,071	-	(662,589)	9,786,093	-	23,363,575
Capital expenditure from GAG	-	-	-	-	-	-
Devolved formula capital	-	49,410	-	(3,163)	-	46,247
Capital improvement fund	209,726	423,543	-	(417,536)	-	215,733
Fixed assets on Academy transfer	-	9,291,494	-	(9,291,494)	-	-
	<u>14,449,797</u>	<u>9,764,447</u>	<u>(662,589)</u>	<u>73,900</u>	<u>-</u>	<u>23,625,555</u>
<b>Total</b>	<u>13,974,402</u>	<u>19,332,736</u>	<u>(10,885,077)</u>	<u>-</u>	<u>816,000</u>	<u>23,238,061</u>

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**STATEMENT OF FUNDS - ACADEMY TRUST - PRIOR YEAR**

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Transfers £	Gains/ losses £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
General funds	247,814	759,828	(445,494)	-	-	562,147
	<u>247,814</u>	<u>759,828</u>	<u>(445,494)</u>	<u>-</u>	<u>-</u>	<u>562,147</u>
<b>Restricted funds</b>						
Transfer on conversion	-	-	-	-	-	-
General Annual Grant (GAG)	1,130,085	5,271,324	(5,158,413)	(157,552)	-	1,085,444
Pupil premium	-	411,381	(411,381)	-	-	-
Other DFE income	-	414,202	(414,202)	-	-	-
SEN income	-	93,955	(93,955)	-	-	-
Early years funding	-	417,125	(417,125)	-	-	-
NCSL Grant		100,565	(61,551)	-	-	39,014
Other government grants		112,604	(112,604)	-	-	-
Other LA income	-	-	-	-	-	-
Pension reserve	(3,132,000)	(885,000)	(283,000)	-	1,253,000	(2,162,000)
	<u>(2,001,915)</u>	<u>6,821,156</u>	<u>(6,952,231)</u>	<u>(157,552)</u>	<u>1,253,000</u>	<u>(1,037,542)</u>
<b>Restricted fixed asset fund</b>						
Restricted fixed asset funds	14,339,933	-	(573,231)	473,369	-	14,240,071
Capital expenditure from GAG	-	28,340	-	(28,340)	-	-
Devolved formula capital	22,257	19,950	-	(42,207)	-	-
Capital improvement fund	235,089	219,907	-	(245,270)	-	209,726
	<u>14,597,279</u>	<u>268,197</u>	<u>(573,231)</u>	<u>157,552</u>	<u>-</u>	<u>14,449,797</u>
<b>Total</b>	<u><u>12,843,178</u></u>	<u><u>7,849,181</u></u>	<u><u>(7,970,956)</u></u>	<u><u>-</u></u>	<u><u>1,253,000</u></u>	<u><u>13,974,402</u></u>



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**NOTES TO THE FINANCIAL STATEMENTS**  
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The specific purposes for which the funds are to be applied are as follows:

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

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

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

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

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

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

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

**18. CENTRAL SERVICES**

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

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

The Academy Trust charges for these services on the following basis:

A flat percentage of General Annual Grant income.

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
Bovingdon Primary Academy	83,536	85,972
Grove Academy	136,406	137,073
Hammond Academy	105,283	89,724
Bedmond Academy	41,755	-
Broadfield Academy	78,515	-
Total	<u>445,495</u>	<u>312,769</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS - GROUP**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	23,363,575	23,363,575
Current assets	815,397	2,399,547	261,980	3,476,924
Creditors due within one year	-	(915,745)	-	(915,745)
Pension scheme liability	-	(2,687,000)	-	(2,687,000)
	<u>815,397</u>	<u>(1,203,198)</u>	<u>23,625,555</u>	<u>23,237,754</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

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

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

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

	<b>2018</b>	<b>Group</b>
	<b>£</b>	<b>2017</b>
		<b>£</b>
Net income/(expenditure) for the year (as per Statement of Financial Activities)	<b>8,447,659</b>	(121,775)
<b>Adjustment for:</b>		
Depreciation charges	<b>662,589</b>	573,231
Dividends, interest and rents from investments	<b>(1,716)</b>	(2,216)
Decrease/(increase) in debtors	<b>145,686</b>	(88,166)
Increase/(decrease) in creditors	<b>354,740</b>	(310,074)
Capital grants from DfE and other capital income	<b>(472,953)</b>	(268,197)
Net surplus on assets and liabilities from local authority on conversion	<b>(9,291,494)</b>	-
Pension adjustments	<b>456,000</b>	283,000
Pension transferred from Local Authority on conversion	<b>885,000</b>	-
<b>Net cash provided by operating activities</b>	<b>1,185,511</b>	65,803

**21. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2018</b>	<b>Group</b>
	<b>£</b>	<b>2017</b>
		<b>£</b>
Cash in hand	<b>3,129,937</b>	1,964,355
<b>Total</b>	<b>3,129,937</b>	1,964,355

**22. TRANSFERS INTO THE TRUST**

On 1 September 2017 Bedmond Village Primary School and Broadfield Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Aspire Academies Trust from Hertfordshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. 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 a net gain in the Statement of Financial Activities as Donations - transfer from local authority on conversion

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**22. TRANSFERS INTO THE TRUST (continued)**

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	9,263,000	9,263,000
- Other tangible fixed assets	-	-	28,494	28,494
Budget surplus/(deficit) on LA funds	-	509,360	-	509,360
Budget surplus on other school funds	-	33,742	-	33,742
Pension deficit	-	(885,000)	-	(885,000)
Net assets/(liabilities)	-	(341,898)	9,291,494	8,949,596

The above net assets/liabilities include £543,102 transferred as cash.

The pension deficit transferred relates to the employees of Bedmond Village Primary School and Broadfield Primary School who were the employees transferred as part of the acquisition of those schools. The obligation in respect of these employees represents their cumulative service at the predecessor schools at 1 September 2017.

**23. CAPITAL COMMITMENTS**

At 31 August 2018 the Group and Academy Trust had capital commitments as follows:

	<u>Group</u>		<u>Academy trust</u>	
	2018 £	2017 £	2018 £	2017 £
Contracted for but not provided in these financial statements	258,916	-	258,916	-

**24. PENSION COMMITMENTS**

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

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

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

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

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**24. PENSION COMMITMENTS (continued)**

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the period amounted to £464,970 (2017 - £349,526).

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

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

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**24. PENSION COMMITMENTS (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £732,000 (2017 - £530,000), of which employer's contributions totalled £596,000 (2017 - £431,000) and employees' contributions totalled £136,000 (2017 - £99,000). The agreed contribution rates for future years are 25.3% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.50 %	2.50 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.5	22.5
Females	24.9	24.9
Retiring in 20 years		
Males	24.1	24.1
Females	26.7	26.7

Sensitivity analysis - approximate monetary amount to defined benefit obligation	At 31 August 2018 £	At 31 August 2017 £
Discount rate -0.5%	1,147,000	813,000
Salary increase rate +0.5%	126,000	101,000
CPI rate +0.5%	1,012,000	702,000

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**24. PENSION COMMITMENTS (continued)**

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	3,316,210	2,694,900
Debt instruments	2,189,950	1,036,500
Property	500,560	290,220
Cash and other liquid assets	250,280	124,380
Total market value of assets	<u>6,257,000</u>	<u>4,146,000</u>

The actual return on scheme assets was £519,000 (2017 - £380,000).

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

	2018 £	2017 £
Current service cost	(977,000)	(647,000)
Interest cost	(75,000)	(67,000)
Total	<u>(1,052,000)</u>	<u>(714,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	6,308,000	6,508,000
Transferred in from academies joining the trust	1,983,000	-
Current service cost	977,000	647,000
Interest cost	209,000	143,000
Employee contributions	136,000	99,000
Actuarial gains	(633,000)	(1,043,000)
Benefits paid	(36,000)	(46,000)
Closing defined benefit obligation	<u>8,944,000</u>	<u>6,308,000</u>

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

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

	2018 £	2017 £
Opening fair value of scheme assets	4,146,000	3,376,000
Transferred in from academies joining the trust	1,098,000	-
Interest income	134,000	76,000
Actuarial gains	183,000	210,000
Employer contributions	596,000	431,000
Employee contributions	136,000	99,000
Benefits paid	(36,000)	(46,000)
Closing fair value of scheme assets	<u>6,257,000</u>	<u>4,146,000</u>

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

	2018 £	2017 £
Changes in financial assumptions	633,000	1,043,000
Return on assets excluding amounts included in net interest	183,000	210,000
Actuarial gains/(losses) on defined benefit pension schemes	<u>816,000</u>	<u>1,253,000</u>

The amount shown in the Balance Sheet is:

	2018 £	2017 £
Present value of defined benefit obligation	(8,944,000)	(6,308,000)
Fair value of scheme assets	6,257,000	4,146,000
Defined benefit pension scheme liability	<u>(2,687,000)</u>	<u>(2,162,000)</u>



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**ASPIRE ACADEMIES TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. OPERATING LEASE COMMITMENTS**

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

	2018 £	2017 £
<b>Group and Academy trust</b>		
<b>Amounts payable:</b>		
Within 1 year	34,970	31,688
Between 1 and 5 years	40,022	69,442
<b>Total</b>	<b>74,992</b>	<b>101,130</b>

**26. RELATED PARTY TRANSACTIONS**

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

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**27. PRINCIPAL SUBSIDIARIES**

**West Hertfordshire Teaching School  
Partnership Limited**

Subsidiary name	West Hertfordshire Teaching School Partnership Limited
Company registration number	08240993
Basis of control	Register of Trustees
Total assets as at 31 August 2018	£ 43,622
Total liabilities as at 31 August 2018	£ 43,929
Total equity as at 31 August 2018	£ (307)
Turnover for the year ended 31 August 2018	£ 264,932
Expenditure for the year ended 31 August 2018	£ 264,932
Result for the year ended 31 August 2018	£ -

**28. MEMBERS' LIABILITY**

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

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**29. TEACHING SCHOOL TRADING ACCOUNT**

	2018 £	2018 £	2017 £	2017 £
<b>INCOME</b>				
<b>DIRECT INCOME</b>				
Grant income	96,998		100,565	
<b>TOTAL INCOME</b>		96,998		100,565
<b>EXPENDITURE</b>				
<b>DIRECT EXPENDITURE</b>				
Expenditure	74,662		61,551	
<b>TOTAL EXPENDITURE</b>		74,662		61,551
<b>SURPLUS FROM ALL SOURCES</b>		22,336		39,014
<b>TEACHING SCHOOL BALANCES AT         1 SEPTEMBER 2017</b>		39,014		-
<b>TEACHING SCHOOL BALANCES AT         31 AUGUST 2018</b>		61,350		39,014