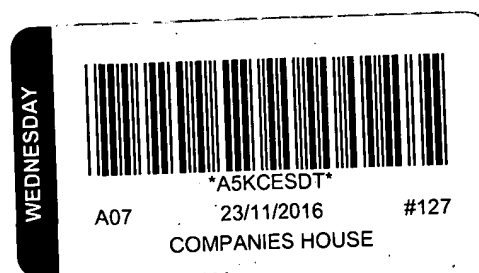


Company Registration No. 08689696 (England and Wales)

THE ASPIRE EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2016



Haines Watts
Chartered Accountants & Registered Auditors
Bridge House
157A Ashley Road
Hale
Altrincham
Cheshire
WA14 2UT

THE ASPIRE EDUCATIONAL TRUST

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THE ASPIRE EDUCATIONAL TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mr K Newton
Mr K Simpson (Accounting officer)
Mrs K Egdell
Miss K L Harrop
Mrs S Bowen (Chair of trustees)
Miss H Jackson
Mrs M R Coppenhall
Mr C Dean
Mrs L V Hesmondhalgh
Mr S Naylor
Mrs L Treadway

Members

Mrs D Morrison
Mr B R Hargern
Mr J K Ashmore
Mrs S Bowen
Mr G van Enk-Bones (appointed 01/02/2016)

Senior management team

- Executive principal
- Director of finance and administration
- Head of Ash Grove Academy
- Vice principal of Ash Grove Academy
- Head of Peover Superior Endowed Primary School
- Vice Principal of Peover Superior Endowed Primary School
- Head of Sandbach Primary Academy
- Vice principal of Sandbach Primary Academy
- Chief financial officer
- Literacy & research & development lead
- Maths and ITT lead
- Director of education and teaching school alliance

Mr K Simpson
Mrs K Stanier
Miss H Jackson
Mrs L Finnegan
Mrs L Hesmondhalgh
Mr S Birtwistle

Mrs L Treadway
Mrs C Younghusband
Mrs H Mason
Mrs M Dixon
Mr M Avis
Mrs J Ashcroft

Company registration number

08689696 (England and Wales)

Registered office

Ash Grove Academy, Belgrave Road,
Macclesfield, Cheshire, SK11 7TF

Academies operated

Ash Grove Academy
Peover Superior Endowed Primary School
Sandbach Primary Academy

Location

East Cheshire
East Cheshire
East Cheshire

Independent auditor

Haines Watts, Bridge House, Ashley Road
Hale, Altrincham, Cheshire, WA14 2UT

Bankers

Lloyds Bank, 223 Finney Lane, Heald Green
Cheshire, SK8 3PY

THE ASPIRE EDUCATIONAL TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates 3 academies for pupils aged 2 to 11 serving catchment areas in Macclesfield, Peover and Sandbach. Ash Grove Academy has a pupil capacity of 210 and has a roll of 222 (including nursery), Peover Superior Endowed Primary School has a capacity of 77 and has a roll of 64 and Sandbach Primary Academy has a capacity of 105 and has a roll of 102.

Structure, governance and management

Constitution

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

The trustees of The Aspire Educational Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Aspire Educational Trust.

Details of the trustees who served during the year and the academy trust's registered office address are included in the reference and administrative details on page 1.

The Aspire Educational Trust consists of three schools - one sponsored and two voluntary converters. All our academies share the following:

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

THE ASPIRE EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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

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

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.

Method of recruitment and appointment or election of trustees

Trustees have been elected from and by, the three founding schools of the academy trust. They consist of the principal of each academy, the chair of the LGB of each academy and another elected LGB member. The chair and vice chair of the directors were former members of Ash Grove Academy's governing body. We seek to recruit by local knowledge of the experience and qualities which will be brought for the academy trust advantages.

Policies and procedures adopted for the induction and training of trustees

From conversion on 1 December 2013 we have held regular meetings which have formed the basis of our induction and training. We have also liaised with other MATs in order to learn from their experiences.

Organisational structure

The management structure consists of:

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

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

The main responsibilities of the directors are:

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

The day to day running of the academies is delegated to the senior leadership teams of the academies. These comprise of the principals and their respective teams. The SLT implements the policies laid down by the directors and reports back to them.

The SLT of the academy trust comprises of the CEO, CFO, principals, vice principals, department leads and a business manager.

THE ASPIRE EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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

Arrangements for setting pay and remuneration of key management personnel

Key management personnel's performance management reviews are held on an annual basis. The pay ranges for the principal, deputy principal and assistant principal will be determined in accordance with the criteria specified in the 2015 STPCD and ensuring fair pay relativities. The executive principal/CEO will be remunerated on a scale decided upon by the AET Board. The remainder of the key management personnel are remunerated on a scale decided upon by the AET Board. The CEO will make annual recommendations to the pay and remuneration committee on their salary progression as determined by the Trust Performance Management and Appraisal Policy. When the pay and remuneration committee has considered the recommendations from the CEO and any comment from the individual employee, its decision will be provided in writing, made by the third month of the new academic year at the latest.

Related parties and other connected charities and organisations

The executive principal/CEO of The Aspire Educational Trust is a National Leader of Education and Head of a Teaching School Alliance. As part of this role he takes a lead in organising Pupil Premium reviews in Cheshire East schools on behalf of the LA and supports another school within another trust.

The Aspire Educational Trust is connected to Holmes Chapel District Community Partnership as defined by the relevant Charities SORP with which it has transacted. The members, trustees, senior staff and their families are regarded as related parties in accordance with the definitions in the Charities SORP.

Objectives and activities

Objects and aims

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

Objectives, strategies and activities:

We will ensure all our academies will share:

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

THE ASPIRE EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

- A modern curriculum which meets the needs of all learners, has clear progression routes internally and to future education and employment.
- Professional networks, within our group and beyond, providing school to school support, opportunities for pupils, and sharing professional development.
- A commitment to community involvement with our schools and to lifelong community learning.

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

- To grow the academy trust from 3 schools to 7 in 2016 – 2017.
- To ensure that excellent leadership is in place in each of the schools.
- To develop a strategic vision for the academy trust.
- To ensure the academy trust governance structure supports the strategic vision.

Strategies and activities for achieving the objectives

The strategies for achieving the above objectives include:

- Holding governance reviews.
- Consultation with staff in schools.
- Development of the academy trust's website.
- Development of our support of other schools providing development opportunities for all staff.
- Developing leadership at academy trust level using the government grant.

The quality of teaching and learning:

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

Links with partners

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

Communication and decision making

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

Public benefit

The academy trust will promote for the benefit of the local inhabitants, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

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

THE ASPIRE EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Strategic report

Achievement and performance

Sandbach Primary Academy

Key Stage 1	Expected or above:
Reading	75%
Writing	75%
Maths	83%
Key Stage 2	Expected or above:
Reading	56%
Writing	63%
Maths	81%
SPAG	75%

Peover Superior Endowed Primary School

Key Stage 1	Expected or above:
Reading	82%
Writing	73%
Maths	82%
Key Stage 2	Expected or above:
Reading	100%
Writing	80%
Maths	80%
SPAG	100%

Ash Grove Academy

Key Stage 1	Expected or above:
Reading	90%
Writing	90%
Maths	86%
Key Stage 2	Expected or above:
Reading	86%
Writing	82%
Maths	82%
SPAG	86%

Key performance indicators

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

- All academies good or better in Ofsted inspections
- 100% satisfactory or better teaching
- 80% good or better teaching
- 30% outstanding teaching
- No student exclusion
- Student attendance at 95% plus

Pre 11 targets

- 65% of children achieve expected levels in English and Maths.
- No child at 11 to have a reading age more than 3 years behind chronological age.
- All children to have experienced a prevocational programme and/or a qualification in sport/sporting achievement.
- Pupil Premium children making as good or better progress than non-pupil premium children in order to close the gap rapidly.

THE ASPIRE EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Leadership

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

Going concern

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

Financial review

Most of the academy trust's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes.

During the year to 31 August 2016 £3,892,000 of recurrent grant funding from the EFA and other incoming resources were offset by total expenditure of £2,697,000, resulting in a net surplus of £1,195,000 before actuarial losses on pensions of £279,000.

The academy trust has recognised its share of the Local Government Pension Scheme (LGPS) assets and liabilities in accordance with FRS102. A deficit has been recognised at 31 August 2016. Future contribution rates are adjusted so as to reduce this deficit.

After adjusting for actuarial losses on the pension scheme of £279,000 the movement in funds during the period was £916,000.

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

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

Our finance committee scrutinises all finances.

Reserves policy

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

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

The trustees will review reserve levels of the academy trust annually.

Investment policy

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

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

THE ASPIRE EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Principal risks and uncertainties

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

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

Key controls in place include:

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

Plans for future periods

The academy trust is currently discussing conversion with four schools with a view to joining the academy trust in 2016 – 2017. The main aim of the year is to set up policies and procedures and establish a clear vision for the academy trust to move forward. This is clearly set out in the MAT Business Plan.

Auditor

Insofar as the trustees are aware:

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

This trustees' report, incorporating a strategic report was approved by order of the board of trustees, as the company directors, on 10/11/2016 and signed on the board's behalf by:



Sue Bowen
Chair of trustees

THE ASPIRE EDUCATIONAL TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the CEO, Mr Kevin Simpson, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Aspire Educational Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of directors of the MAT has formally met 3 times. Attendance during the year at meetings of the board of trustees was as follows:

Members	Meetings attended	Out of a possible
D Morrison	3	3
S Bowen (chair of trustees)	1	3
R Ashmore	2	3
B Hardern	3	3
K Simpson (CEO and accounting officer)	3	3
G van Enk-Bones	3	3

The board of directors have met as follows:

Trustees	Meetings attended	Out of a possible
S Bowen (chair)	3	3
K Newton (vice chair)	3	3
K Egdell	3	3
K Harrop	3	3
K Simpson (CEO and accounting officer)	3	3
H Mason (Chief finance officer)	2	2
H Jackson	3	3
L Treadway	3	3
S Naylor	3	3
M Coppenhall	3	3
C Dean	2	3
L Hesmondhough	3	3

The finance committee is also sub committee of the board of trustees. The finance committee's purpose is to monitor internal controls and risk management systems, the effectiveness of internal and external audit activity and the integrity of the financial statements. The finance committee meets on a termly basis.

Review of value for money

As accounting officer of The Aspire Educational Trust the chief executive officer is responsible and accountable for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer is aware of the guide to academy value for money statements published by the Education Funding Agency and understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. Set out below is how the accounting officer has ensured that the academy trust's use of its resources has provided good value for money during the academic year.

THE ASPIRE EDUCATIONAL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The governing body is accountable for the way in which the school's resources are allocated to meet the objectives set out in the school's development plans.

Governors need to secure the best possible outcome for pupils, in the most efficient and effective way, at a reasonable cost. This will lead to continuous improvement in the school's achievements and services. Governors will apply the four principles of best value:

- Challenge - Is the academy trust's performance high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently? What do parents want?
- Compare - How does the academy trust's pupil performance and financial performance compare with all schools and academies? How does it compare with LEA schools? How does it compare with similar academies?
- Consult - How does the academy trust seek the views of stakeholders about the services the academy trust provides?
- Compete - How does the academy trust secure efficient and effective services? Are services of appropriate quality, economic?

The governors' approach

The governors and academy managers will apply the principles of best value when making decisions about:

- the allocation of resources to best promote the aims and values of the academy trust;
- the targeting of resources to best improve standards and the quality of provision; and
- the use of resources to best support the various educational needs of all pupils.

Governors, and the academy managers, will:

- make comparisons with other/similar schools and academies using data provided by the LEA and the government, e.g. benchmarking tools, quality of teaching and learning, levels of expenditure;
- challenge proposals, examining them for effectiveness, efficiency and cost, e.g. setting of annual pupil achievement targets;
- require suppliers to compete on grounds of cost, and quality/suitability of services/products/backup; and
- consult individuals and organisations on quality/suitability of service we provide to parents and pupils, and services we receive from providers, e.g. Sex and Relationships Education, pupil reports, OFSTED, LEA, Energy Unit.

This will apply in particular to:

- staffing
- use of resources
- quality of teaching
- quality of learning
- purchasing
- pupils' welfare
- health and safety

Governors and academy managers:

- will not waste time and resources on investigating minor areas where few improvements can be achieved;
- will not waste time and resources to make minor savings in costs;
- will not waste time and resources by seeking tenders for minor supplies and services; and
- the pursuit of minor improvements or savings is not cost effective if the administration involves substantial time or costs. Time wasted on minor improvements or savings can also distract management from more important or valuable areas.

Staffing

Governors and academy managers will deploy staff to provide best value in terms of quality of teaching, quality of learning, adult-pupil ratio, and curriculum management.

Use of premises

Governors and academy managers will consider the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching and learning, for support services, and for communal access to central resources, e.g. the library.

THE ASPIRE EDUCATIONAL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Use of resources

Governors and academy managers will deploy equipment, materials and services to provide pupils and staff with resources which support quality of teaching and quality of learning.

Teaching

Governors and academy managers will review the quality of curriculum provision and quality of teaching, to provide parents and pupils with:

- a curriculum which meets the requirements of the National Curriculum;
- agreed RE Syllabus, and the needs of pupils; and
- teaching which builds on previous learning and has high expectations of children's achievement.

Learning

Governors and academy managers will review the quality of children's learning, by cohort, class and group, to provide teaching which enables children to achieve nationally expected progress, e.g. setting of annual pupil achievement targets and striving to improve on or maintain previous years' exam results and attendance.

Purchasing

Governors and academy managers will develop procedures for assessing need, and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time, and cost. Measures already in place include:

- competitive tendering procedures (e.g. for goods and services above £10,000);
- three quotes for goods and services in excess of £3,000;
- procedures for accepting "best value" quotes, which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship); and
- procedures which minimise office time by the purchase of goods or services under £1,000 direct from known, reliable suppliers (e.g. stationery, small equipment).

Pupils' welfare

Governors and academy managers will review the quality of the school environment and the school ethos, in order to provide a supportive environment conducive to learning and recreation.

Health & safety

Governors and academy managers will review the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.

Monitoring

These areas will be monitored for best value by:

1. In-house monitoring by the headteacher and curriculum managers, e.g. classroom practice, work sampling
2. Termly target setting meetings between the headteacher and curriculum managers
3. Staff appraisal
4. Annual budget planning
5. Headteacher's regular finance review
6. Analysis of school pupil performance data against similar LA schools and analysis of LA financial data against benchmark data for similar schools
7. Analysis of DfE pupil performance data
8. OFSTED inspection reports
9. Governors' termly committee meetings
10. Governors' full termly meetings
11. Governors' annual finance review
12. Governors' annual SATs target setting meeting

In the next three years the governing body will:

- Hold an annual performance plan meeting to set targets for improving pupil achievement.
- Hold an annual development plan meeting at its first meeting of the Autumn term.
- Discuss "Best Value" at each Autumn term meeting of the finance committee.
- Review their "Best Value" statement at each Spring term meeting.
- Consider best value when arranging internal and external redecoration contracts.

THE ASPIRE EDUCATIONAL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Aspire Educational Trust for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

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

The board of trustees recognises the need for a specific internal audit function and has appointed Haines Watts as internal auditors.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis the internal auditor reports direct to the finance committee who act on its findings and report the outcomes to the board of trustees, reflecting upon the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of effectiveness

As accounting officer the CEO has responsibility for reviewing the effectiveness of the system of internal control.

During the year in question the review has been informed by:

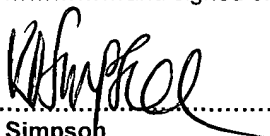
- the work of the internal auditors;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 10/11/2016 and signed on its behalf by:



Sue Bowen
Chair of trustees



Kevin Simpson
Accounting officer

THE ASPIRE EDUCATIONAL TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2016

As accounting officer of The Aspire Educational Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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



Kevin Simpson
Accounting officer

10/11/2016

THE ASPIRE EDUCATIONAL TRUST
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

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

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the board of trustees on 10/11/2016 and signed on its behalf by:



Sue Bowen
Chair of trustees

THE ASPIRE EDUCATIONAL TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2016

We have audited the accounts of The Aspire Educational Trust for the year ended 31 August 2016 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditors

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees, who are also the directors of The Aspire Educational Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

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

THE ASPIRE EDUCATIONAL TRUST

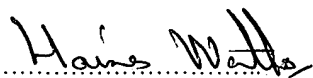
INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF THE ASPIRE EDUCATIONAL TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Matters on which we are required to report by exception

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

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



John Whittick BSc FCA (Senior Statutory Auditor)

for and on behalf of

Haines Watts

Chartered Accountants

Statutory Auditor

Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Dated: 10/11/16

THE ASPIRE EDUCATIONAL TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2016

In accordance with the terms of our engagement letter dated 7 August 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Aspire Educational Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The Aspire Educational Trust's funding agreement with the Secretary of State for Education dated 24 January 2014 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

THE ASPIRE EDUCATIONAL TRUST

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

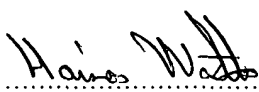
FOR THE YEAR ENDED 31 AUGUST 2016

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Haines Watts
Reporting Accountant

Dated: 19/11/16

THE ASPIRE EDUCATIONAL TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000	Total 2015 £'000
Income and endowments from:						
Donations and capital grants	2	-	15	1,091	1,106	6
Donations - transfer from local authority on conversion		-	-	-	-	1,633
Charitable activities:						
- Funding for educational operations	3	-	2,409	-	2,409	1,862
Other trading activities	4	312	58	-	370	546
Investments	5	7	-	-	7	2
Total income and endowments		<u>319</u>	<u>2,482</u>	<u>1,091</u>	<u>3,892</u>	<u>4,049</u>
Expenditure on:						
Raising funds	6	69	-	-	69	93
Charitable activities:						
- Educational operations	7	-	2,611	33	2,644	1,961
Total expenditure	6	<u>69</u>	<u>2,611</u>	<u>33</u>	<u>2,713</u>	<u>2,054</u>
Net income/(expenditure)		250	(129)	1,058	1,179	1,995
Transfers between funds		(174)	711	(537)	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	(279)	-	(279)	20
Net movement in funds		76	303	521	900	2,015
Reconciliation of funds						
Total funds brought forward		291	(220)	4,260	4,331	2,316
Total funds carried forward		<u>367</u>	<u>83</u>	<u>4,781</u>	<u>5,231</u>	<u>4,331</u>

THE ASPIRE EDUCATIONAL TRUST

BALANCE SHEET

AS AT 31 AUGUST 2016

		2016		2015	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	11		4,781		4,260
Current assets					
Debtors	12	100		64	
Cash at bank and in hand		1,364		1,513	
		1,464		1,577	
Current liabilities					
Creditors: amounts falling due within one year	13	(178)		(983)	
Net current assets			1,286		594
Total assets less current liabilities			6,067		4,854
Creditors: amounts falling due after more than one year	14		(52)		(52)
Net assets excluding pension liability			6,015		4,802
Defined benefit pension liability	18		(784)		(471)
Net assets			5,231		4,331
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			4,781		4,260
- Restricted income funds			867		251
- Pension reserve			(784)		(471)
Total restricted funds			4,864		4,040
Unrestricted income funds	16		367		291
Total funds			5,231		4,331

The accounts were approved by the board of trustees and authorised for issue on 10/11/2016 and are signed _____ on its behalf by:



Sue Bowen
Chair of trustees

Company Number 08689696

THE ASPIRE EDUCATIONAL TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £'000	£'000	2015 £'000	£'000
Cash flows from operating activities					
Net cash provided by (used in) operating activities	19		(701)		1,270
Cash funds transferred on conversion			-		28
			(701)		1,298
Cash flows from investing activities					
Dividends, interest and rents from investments		7		2	
Capital grants from DfE and EFA		993		3	
Capital funding from sponsors and others		106		-	
Payments to acquire tangible fixed assets		(554)		(25)	
			552		(20)
Cash flows from financing activities					
New other loan		-		55	
			-		55
Change in cash and cash equivalents in the reporting period			(149)		1,333
Cash and cash equivalents at 1 September 2015			1,513		180
Cash and cash equivalents at 31 August 2016			1,364		1,513

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

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

1.1 Basis of preparation

The accounts 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Aspire Educational Trust meets the definition of a public benefit entity under FRS 102.

These accounts for the year ended 31 August 2016 are the first accounts of The Aspire Educational Trust prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 24.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company 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 accounts 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 accounts.

1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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 in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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.

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This 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.

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

1.5 Tangible fixed assets and depreciation

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

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

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

Leasehold land and buildings	Buildings have been fully depreciated before conversion
Leasehold improvements	20 years
Computer equipment	3 years
Fixtures, fittings & equipment	8 years
Assets under construction	nil until brought into use

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

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

1.6 Liabilities

Liabilities 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.

1.7 Leasing and hire purchase commitments

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

1.8 Taxation

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

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

1.9 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities 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.

1.10 Fund accounting

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

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

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

1.11 Critical accounting estimates and areas of judgement

Accounting estimates and judgements 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 ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

2 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Capital grants	-	993	993	3
Other donations	-	113	113	3
	-	1,106	1,106	6

The income from donations and capital grants was £1,106,000 (2015: £6,000) of which £15,000 was restricted (2015: £3,000) and £1,091,000 was restricted fixed assets (2015: £3,000).

3 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
DfE / EFA grants				
General annual grant (GAG)	-	1,671	1,671	1,289
Start up grants	-	-	-	50
Other DfE / EFA grants	-	423	423	362
	-	2,094	2,094	1,701
Other government grants				
Local authority grants	-	315	315	146
Special educational projects	-	-	-	15
	-	315	315	161
Total funding	-	2,409	2,409	1,862

The income from funding for educational operations was £2,409,000 (2015: £1,862,000) of which £2,409,000 was restricted (2015: £1,862,000).

THE ASPIRE EDUCATIONAL TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

4 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Catering income	-	23	23	16
Parental contributions	-	35	35	47
Other income	312	-	312	483
	<u>312</u>	<u>58</u>	<u>370</u>	<u>546</u>

The income from other trading activities was £370,000 (2015: £546,000) of which £312,000 was unrestricted (2015: £483,000) and £58,000 was restricted (2015: £63,000).

5 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Short term deposits	<u>7</u>	<u>-</u>	<u>7</u>	<u>2</u>

The income from funding for investment income was £7,000 (2015: £2,000) of which £7,000 was unrestricted (2015: £2,000).

6 Expenditure

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2016 £'000	Total 2015 £'000
Academy's educational operations					
- Direct costs	1,350	29	171	1,550	914
- Allocated support costs	675	35	384	1,094	1,047
	<u>2,025</u>	<u>64</u>	<u>555</u>	<u>2,644</u>	<u>1,961</u>
Other expenditure					
Raising funds	<u>-</u>	<u>-</u>	<u>69</u>	<u>69</u>	<u>93</u>
Total expenditure	<u>2,025</u>	<u>64</u>	<u>624</u>	<u>2,713</u>	<u>2,054</u>

The expenditure on raising funds was £69,000 (2015: £93,000) of which £69,000 was unrestricted (2015: £93,000).

THE ASPIRE EDUCATIONAL TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

6 Expenditure

Net income/(expenditure) for the year includes:	2016 £'000	2015 £'000
Fees payable to auditor for:		
- Audit	17	17
- Other services	8	5
Operating lease rentals	15	13
Depreciation of tangible fixed assets	33	5

Central services

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

- financial services;
- educational support services; and
- others as arising.

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

- flat percentage of GAG income (4.5%);

The amounts charged during the year were as follows:	2016 £'000	2015 £'000
Ash Grove Academy	39	38
Peover Superior Endowed Primary School	14	7
Sandbach Primary Academy	22	11
	<u>75</u>	<u>56</u>

7 Charitable activities

	2016 £'000	2015 £'000
All from restricted funds:		
Direct costs - educational operations	1,550	914
Support costs - educational operations	1,094	1,047
	<u>2,644</u>	<u>1,961</u>

The expenditure on educational operations was £2,644,000 (2015: £1,961,000) of which £2,611,000 was restricted (2015: £1,956,000) and £33,000 was restricted fixed assets (2015: £5,000).

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

7 Charitable activities

Analysis of costs	2016 £'000	2015 £'000
Direct costs		
Teaching and educational support staff costs	1,334	770
Staff development	16	17
Depreciation and amortisation	29	.5
Technology costs	25	18
Educational supplies and services	128	98
Other direct costs	18	6
	<u>1,550</u>	<u>914</u>
Support costs		
Support staff costs	675	695
Depreciation and amortisation	4	-
Technology costs	16	21
Maintenance of premises and equipment	31	42
Cleaning	7	7
Energy costs	36	29
Rent and rates	24	20
Insurance	30	24
Security and transport	13	9
Catering	106	64
Interest on pension deficit	18	13
Other support costs	112	75
Governance costs	22	48
	<u>1,094</u>	<u>1,047</u>

8 Staff costs

	2016 £'000	2015 £'000
Wages and salaries	1,571	1,183
Social security costs	125	97
Operating costs of defined benefit pension schemes	275	168
	<u>1,971</u>	<u>1,448</u>
Staff costs	1,971	1,448
Supply staff costs	20	14
Staff restructuring costs	18	-
Staff development and other staff costs	16	20
	<u>2,025</u>	<u>1,482</u>
Total staff expenditure	2,025	1,482

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

8 Staff costs

Staff numbers

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

	2016	2015
	Number	Number
Teachers	19	21
Administration and support	46	50
Management	12	10
	<u>77</u>	<u>81</u>

Higher paid staff

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

	2016	2015
	Number	Number
£100,001 - £110,000	-	1
£110,001 - £120,000	<u>1</u>	<u>-</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-contractual severance payments totalling £18,469 (2015: £nil). Individually, there was 1 payment of £18,469.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £682,749 (2015: £402,181).

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

9 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, travel and subsistence payments totalling £246 (2015: £nil) were reimbursed to 3 trustees (2015: 0 trustees).

The value of trustees' remuneration was as follows:

K Simpson (Executive Principal and trustee)

Remuneration: £110,001 - £115,000 (2015: £100,001 - £105,000)

Employer's pension contributions: £nil (2015: £nil)

H Jackson (Principal and trustee)

Remuneration: £50,001 - £55,000 (2015: £45,001 - £50,000)

Employer's pension contributions: £5,001 - £10,000 (2015: £5,001 - £10,000))

L Treadway (Principal and trustee)

Remuneration: £55,001 - £60,000 (2015: £25,001 - £30,000)

Employer's pension contributions: £5,001 - £10,000 (2015: £1 - £5,000)

L Hesmondhalgh (Principal and trustee)

Remuneration: £50,001 - £55,000 (2015: £25,000 - £30,000)

Employer's pension contributions: £5,001 - £10,000 (2015: £1 - £5,000)

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

10 Trustees and officers insurance

The academy trust has opted into the Department of 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.

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

11 Tangible fixed assets

	Leasehold land and buildings	Leasehold improvements	Computer equipment	Fixtures, fittings & equipment	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 September 2015	4,226	-	18	23	-	4,267
Additions	-	355	12	34	153	554
At 31 August 2016	4,226	355	30	57	153	4,821
Depreciation						
At 1 September 2015	-	-	6	1	-	7
Charge for the year	-	15	11	7	-	33
At 31 August 2016	-	15	17	8	-	40
Net book value						
At 31 August 2016	4,226	340	13	49	153	4,781
At 31 August 2015	4,226	-	12	22	-	4,260

The net book value of land and buildings comprises:

	2016 £'000	2015 £'000
Long leaseholds (over 50 years)	4,226	4,226

12 Debtors

	2016 £'000	2015 £'000
Trade debtors	12	8
VAT recoverable	42	10
Prepayments and accrued income	46	46
	100	64

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

13	Creditors: amounts falling due within one year	2016	2015
		£'000	£'000
	Government loans	3	3
	Trade creditors	42	5
	Other taxation and social security	39	31
	Other creditors	33	27
	Accruals and deferred income	61	917
		<u>178</u>	<u>983</u>
14	Creditors: amounts falling due after more than one year	2016	2015
		£'000	£'000
	Government loans	52	52
		<u>52</u>	<u>52</u>
	Analysis of loans		
	Wholly repayable within five years	55	55
	Less: included in current liabilities	(3)	(3)
		<u>52</u>	<u>52</u>
	Amounts included above	<u>52</u>	<u>52</u>
	Loan maturity		
	Debt due in one year or less	3	3
	Due in more than one year but not more than two years	7	7
	Due in more than two years but not more than five years	28	28
	Due in more than five years	17	17
		<u>55</u>	<u>55</u>
		<u>55</u>	<u>55</u>
	The Government loan is part of the funding approved by the EFA for the improvements to schools within the Trust. The funding was delivered as a combination of capital grant and a 0% "Salix" loan.		
15	Deferred income	2016	2015
		£'000	£'000
	Deferred income is included within:		
	Creditors due within one year	30	882
		<u>30</u>	<u>882</u>
	Deferred income at 1 September 2015	882	65
	Released from previous years	(882)	(65)
	Amounts deferred in the year	30	882
		<u>30</u>	<u>882</u>
	Deferred income at 31 August 2016	30	882
		<u>30</u>	<u>882</u>

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

15 Deferred income

At the balance sheet date, the academy trust was holding funds received in advance for the following purposes:

- Universal Infant Free School Meals grant received in advance - £27,915
- School trips income taken in advance - £2,283

16 Funds

	Balance at 1 September 2015	Incoming resources	Resources expended	Gains, losses & transfers	Balance at 31 August 2016
	£'000	£'000	£'000	£'000	£'000
Restricted general funds					
General Annual Grant	151	1,671	(1,854)	171	139
Other DfE / EFA grants	100	431	(343)	454	642
Other government grants	-	315	(315)	86	86
Other restricted funds	-	65	(65)	-	-
	<u>251</u>	<u>2,482</u>	<u>(2,577)</u>	<u>711</u>	<u>867</u>
Funds excluding pensions	251	2,482	(2,577)	711	867
Pension reserve	(471)	-	(34)	(279)	(784)
	<u>(220)</u>	<u>2,482</u>	<u>(2,611)</u>	<u>432</u>	<u>83</u>
Restricted fixed asset funds					
DfE / EFA capital grants	-	985	(21)	(454)	510
Inherited funds	4,233	-	(3)	-	4,230
Capital expenditure from GAG	27	-	(7)	3	23
LA capital grants	-	86	-	(86)	-
Big Lottery fund	-	20	(2)	-	18
	<u>4,260</u>	<u>1,091</u>	<u>(33)</u>	<u>(537)</u>	<u>4,781</u>
Total restricted funds	<u>4,040</u>	<u>3,573</u>	<u>(2,644)</u>	<u>(105)</u>	<u>4,864</u>
Unrestricted funds					
General funds	<u>291</u>	<u>319</u>	<u>(69)</u>	<u>(174)</u>	<u>367</u>
Total funds	<u>4,331</u>	<u>3,892</u>	<u>(2,713)</u>	<u>(279)</u>	<u>5,231</u>

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Funds

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

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

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

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

The transfer from General Annual Grant restricted general fund to restricted fixed asset funds is to meet the cost of fixed asset additions for which there was no specific capital funding in the year.

The transfer from DfE/EFA restricted fixed asset capital grants to Other DfE/EFA restricted grants is the unspent capital funding as at the year end to be carried forward into the next period.

The transfer from LA restricted fixed asset capital grants to Other government restricted grants is the unspent capital funding at the year end to be carried forward into the next period.

The transfer from unrestricted general funds to General Annual Grant restricted general fund is to cover an over-spend in the year.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Total funds analysis by academy

	Total 2016 £'000	Total 2015 £'000
Fund balances at 31 August 2016 were allocated as follows:		
Ash Grove Academy	812	249
Peover Superior Endowed Primary School	84	110
Sandbach Primary Academy	99	61
Central services	239	122
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	1,234	542
Restricted fixed asset fund	4,781	4,260
Pension reserve	(784)	(471)
	<hr/>	<hr/>
Total funds	5,231	4,331
	<hr/>	<hr/>

THE ASPIRE EDUCATIONAL TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

16 Funds

Total cost analysis by academy

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2016	Total 2015
	£'000	£'000	£'000	£'000	£'000	£'000
Ash Grove Academy	713	531	94	267	1,605	1,485
Peover Superior Endowed Primary School	229	76	23	77	405	226
Sandbach Primary Academy	392	84	53	101	630	301
Central services	-	-	2	38	40	33
	<u>1,334</u>	<u>691</u>	<u>172</u>	<u>483</u>	<u>2,680</u>	<u>2,045</u>

17 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds:		Total
	£'000	General	Fixed asset	2016
	£'000	£'000	£'000	£'000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	4,781	4,781
Current assets	367	1,097	-	1,464
Creditors falling due within one year	-	(178)	-	(178)
Creditors falling due after one year	-	(52)	-	(52)
Defined benefit pension liability	-	(784)	-	(784)
	<u>367</u>	<u>83</u>	<u>4,781</u>	<u>5,231</u>

18 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £31,716 (2015: £27,342) were payable to the schemes at 31 August 2016 and are included within creditors.

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years 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 (currently 14.1%))
- 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%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £154,000 (2015: £97,000).

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

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

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20.8 to 25.3% for employers and 5.5 to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £88,000.

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.

Total contributions made	2016	2015
	£'000	£'000
Employer's contributions	105	64
Employees' contributions	27	17
Total contributions	132	81
Principal actuarial assumptions	2016	2015
	%	%
Rate of increases in salaries	3.1	3.6
Rate of increase for pensions in payment	2.1	2.7
Discount rate	2.1	3.8
Expected return on assets	2.1	3.8

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

Sensitivity analysis – Ash Grove Academy

Changes in assumptions at 31 August 2016	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	14%	113
1 year increase in member life expectancy	3%	24
0.5% increase in the Salary Increase Rate	5%	42
0.5% increase in the Pension Increase Rate	8%	67

Sensitivity analysis – Peover Superior Endowed Primary School

Changes in assumptions at 31 August 2016	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	9%	19
1 year increase in member life expectancy	3%	6
0.5% increase in the Salary Increase Rate	2%	4
0.5% increase in the Pension Increase Rate	7%	15

THE ASPIRE EDUCATIONAL TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

Sensitivity analysis – Sandbach Primary Academy

Changes in assumptions at 31 August 2016	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	13%	48
1 year increase in member life expectancy	3%	11
0.5% increase in the Salary Increase Rate	5%	18
0.5% increase in the Pension Increase Rate	8%	29

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

	2016 Years	2015 Years
Retiring today		
- Males	22.3	22.3
- Females	24.4	24.4
Retiring in 20 years		
- Males	24.1	24.1
- Females	26.7	26.7

The academy trust's share of the assets in the scheme

	2016 Fair value £'000	2015 Fair value £'000
Equities	452	255
Bonds	87	66
Property	40	33
Other assets	-	12
Total market value of assets	579	366

Actual return on scheme assets - gain/(loss)	81	9
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Amounts recognised in the statement of financial activities

	2016 £'000	2015 £'000
Current service cost (net of employee contributions)	121	83
Net interest cost	18	13

THE ASPIRE EDUCATIONAL TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

Changes in the present value of defined benefit obligations	2016 £'000	2015 £'000
Obligations at 1 September 2015	837	401
Obligations acquired on conversion	-	334
Current service cost	121	83
Interest cost	34	22
Employee contributions	27	17
Actuarial loss/(gain)	344	(20)
At 31 August 2016	1,363	837

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

	2016 £'000	2015 £'000
Assets at 1 September 2015	366	157
Assets acquired on conversion	-	119
Interest income	16	9
Return on plan assets (excluding amounts included in net interest): Actuarial gain	65	-
Employer contributions	105	64
Employee contributions	27	17
At 31 August 2016	579	366

19 Reconciliation of net income to net cash flows from operating activities

	2016 £'000	2015 £'000
Net income for the reporting period	1,179	1,995
Adjusted for:		
Net deficit/(surplus) transferred on conversion	-	(1,633)
Capital grants from DfE/EFA and other capital income	(1,099)	(3)
Investment income	(7)	(2)
Defined benefit pension costs less contributions payable	16	19
Defined benefit pension net finance cost/(income)	18	13
Depreciation of tangible fixed assets	33	5
(Increase)/decrease in debtors	(36)	-
Increase/(decrease) in creditors	(805)	876
Net cash used in operating activities	(701)	1,270

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

20 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £'000	2015 £'000
Amounts due within one year	3	15
Amounts due in two and five years	-	3
	<u>3</u>	<u>18</u>

21 Related party transactions

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

During the period, the academy trust invoiced Holmes Chapel District Community Partnership £400 (2015: £nil) for moderation sessions provided. During the period, Holmes Chapel District Community Partnership has invoiced the academy trust £982 (2015: £nil) for educational services provided.

Mrs L Hesmondhalgh is a director of both The Aspire Educational Trust and Holmes Chapel District Community Partnership. No amounts were owed to or by the academy trust at the period end (2015: £nil). In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2015. The services purchased are considered to be at cost and are considered to be value for money for the academy trust.

22 Post balance sheet events

After the year end, The Wilmslow Academy converted to academy trust status and joined The Aspire Educational Trust on 1 October 2016. No amendments to the figures in the financial statements are required.

23 Members' liability

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

THE ASPIRE EDUCATIONAL TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

24 Reconciliations on adoption of FRS 102

Reconciliation of funds for the previous financial period

		1 September 2014 £'000	31 August 2015 £'000
	Notes		
Funds as reported under previous UK GAAP		2,316	4,331
Adjustments arising from transition to FRS 102:			
Change in recognition of LGPS interest cost	1	-	(4)
Change in actuarial gain	1	-	4
		<u>2,316</u>	<u>4,331</u>
Funds reported under FRS 102		<u>2,316</u>	<u>4,331</u>

Reconciliation of net income for the previous financial period

			2015 £'000
	Notes		
Net income as reported under previous UK GAAP			2,015
Adjustments arising from transition to FRS 102:			
Change in recognition of LGPS interest cost	1		(4)
Change in actuarial gain	1		4
			<u>2,015</u>
Net income reported under FRS 102			<u>2,015</u>

Notes to reconciliations on adoption of FRS 102

Change in recognition of LGPS

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the debit to expense by £4,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.