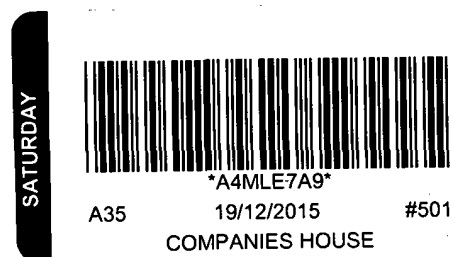


**Aim High Academy Trust  
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**Year ended 31 August 2015**



Company Registration Number:  
08842629 (England and Wales)

# **Aim High Academy Trust**

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## **Aim High Academy Trust**

### **Reference and Administrative Details**

<b>Members</b>	P Dutton J Westwater C Gill
<b>Trustees/Governors</b>	P Dutton (Chair of Governors) C Gill (Vice Chair) J Westwater (Chair of Finance & Premises) G Stephenson (Headteacher and Accounting Officer) J Moran (Business Manager/Finance Officer) S Blake (Staff Governor) D A Carter (Staff Governor) C Francis (resigned 4.11.14) S Morgan A Slassor J Thompson H Westwater L Stanley (appointed March 2015)
<b>Senior Leadership Team:</b>	
• Headteacher	G Stephenson
• Deputy Headteacher	C Shield
• Deputy Headteacher	K Beston (on secondment 14-15)
• Acting Deputy Headteacher	N Burn (appointed 1.4.15)
• KS1 Lead	K Heath
• SENCO	K Erskine
• Business Manager	J Moran
<b>Company Name</b>	Aim High Academy Trust
<b>Registered Office</b>	Houghton Road Newbottle Houghton le Spring DH4 4EE
<b>Company Registration Number</b>	8842629
<b>Independent Auditor</b>	RSM UK Audit LLP 1 St James' Gate Newcastle NE1 4AD
<b>Bankers</b>	Lloyds Banking Group 102 Grey Street Newcastle upon Tyne NE1 6AG
<b>Solicitors</b>	BHP Law Kingfisher House 2 Kingfisher Way Stockton on Tees TS18 3EX

# **Aim High Academy Trust**

## **Trustees' Report**

### **REPORT OF THE GOVERNING BODY 31<sup>st</sup> August 2015**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1<sup>st</sup> September 2014 to 31<sup>st</sup> August 2015. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in Newbottle, Houghton le Spring. It has a pupil capacity of 498 and had a roll of 479 in the school census on 21st May 2015.

### **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 Aim High Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Aim High Academy Trust (Newbottle Primary Academy).

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

#### **Members' Liability**

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

#### **Trustees' Indemnities**

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

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

The Governing Body comprises three categories of governor as set out in the Articles of Association. The Articles of Association of the Academy states that Members may appoint up to 12 governors/trustees.

Members may appoint Staff Trustees through such process as they may determine, provided that the total number of trustees including the Principal who are employees of the Academy Trust does not exceed one third of the total number of Trustees. The Headteacher is treated as an ex officio Trustee.

Parent Trustees shall be elected by parents of registered pupils at the Academy. A parent trustee must be a parent of a pupil at the Academy at the time they are elected. Any election of Parent Trustees which is contested shall be held by secret ballot.

The arrangements made for the election of a Parent Trustee shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post, or if preferred their ballot paper returned to the Academy Trust by a registered pupil.

Where a vacancy for a Parent Trustee is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to ensure that every person known to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that they are entitled to stand as a candidate, and given every opportunity to do so.

## **Aim High Academy Trust**

### **Trustees' Report (continued)**

Governors may appoint up to 3 Co-opted Trustees, a Co-opted Trustee means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been appointed.

The term of office for any Trustees shall be 4 years, subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected. The Secretary of State may also appoint additional Trustees if he feels it appropriate and ultimately has the power to in effect take over the Governance of the Academy.

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

The training and induction provided for each new Trustee will depend on their existing experience. The Academy Trust purchases support from Durham Local Authority that provides for individual and full Governing Body training through an annual course directory which is reviewed each year to reflect any changes in practice and legislation.

#### **Organisational Structure**

The structure consists of three levels: the Trustees/Governors (including separate committees), Senior Leadership Team (SLT) and the Business Manager.

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

The Senior Leadership Team consists of the Headteacher (Chief Executive), 2 x Deputy Headteacher, KS1 Team Leader, SENCO and the Business Manager. The SLT controls the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Headteacher and Trustees are responsible for the authorisation of spending within agreed budgets and the appointment of staff as stated in the scheme of delegation and the Academy's financial regulations manual.

The Business Manager is responsible for the management of the financial systems, sourcing additional funds and ensuring efficient and effective use of resources. The Business Manager is responsible for the authorisation of spending up to agreed limits as stated in the scheme of delegation and the financial regulations manual, alongside the management of some support staff, facilities staff and the efficient operation of the school office.

The Headteacher is the Accounting Officer for the Academy.

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

All members/trustees/governors are required to declare any business interests that may impact on the Academy. During the financial period 1<sup>st</sup> September 2014 – 31<sup>st</sup> August 2015 two Trustees declared an interest and the Academy employed its recognised procedures to address this. The adopted policy is that if any interests are declared then the Trustee will remove themselves from relevant decision making processes. All such declarations and decisions are detailed in the minutes of Governing Body meetings.

Related parties to Aim High Academy Trust for the period 1.9.14 to 31.8.15 are Focus on Learning (Sue Morgan) and Pat Dutton (self-employed assessor).

# **Aim High Academy Trust**

## **Trustees' Report (continued)**

### **Objectives and Activities**

#### **Objects and Aims**

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

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

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

The Academy aims to provide a curriculum which is:

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

We want our curriculum to:

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

#### **Public Benefit**

The Trustees confirm they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission when reviewing the charity's aim and objectives and in planning future activities.

### **STRATEGIC REPORT**

#### **Achievements and Performance**

The Academy has directed school funding to secure the best possible outcomes for all pupils, particularly those accessing pupil premium funding and all groups of learners. This has been done by targeting the expertise of staff to children's educational needs. Targeted intervention measures are established at the earliest opportunity and progress of all children is tracked rigorously.

The staffing structure is regularly reviewed to ensure children receive a high quality education.

Attendance is 96.9% - an improvement on previous years and above the national average. Persistent absentees are 0.6% compared to 2.8% for the national average.

The Academy continues to achieve good results with progress often being in line with or above the national averages. Progress measures for pupil premium pupils is good in reading and writing but below the progress of all other pupils nationally in maths.

# Aim High Academy Trust

## Trustees' Report (continued)

### Key Performance Indicators

KS1	2+	2b+	3
Reading	88%	84%	40%
Writing	93%	80%	26%
Mathematics	95%	88%	40%

KS2 NPA provisional	L4+	L5+	% making 2 levels of progress	% making 3 levels of progress
Reading	90%	53%	97%	43%
Writing	88%	32%	95%	37%
Mathematics	83%	44%	90%	41%

### Proportion of children achieving a Level 4 in Reading, Writing and Mathematics - 76%.

End of KS2 results consistently indicate that by the time pupils leave NPA they have made at least good progress between KS1 and KS2. The proportion of pupils this year making more than the expected progress is above the national average in Reading and Writing and in Mathematics. The Academy ensures standards are continually improved by operating a programme of internal and external reviews. The Academy works with external providers to monitor the impact on achievement, leadership and management and teaching and learning. The Academy underwent an Ofsted inspection in January 2013 and achieved the rating of 'Good'.

### 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

The main sources of income for the Academy Trust are grants from the Education Funding Agency in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period 1<sup>st</sup> September 2014 to 31<sup>st</sup> August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also receives Early Years grant funding and Special Educational Needs funding for High Needs pupils, the use of which is also restricted to particular purposes.

The trustees of the Academy have adopted the following policies relating to Finance and Governance during 2014-2015.

- Scheme of Delegation
- Financial Regulations Manual
- Articles of Association
- Funding Agreement
- Treasury Management & Investment

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

# **Aim High Academy Trust**

## **Trustees' Report (continued)**

### **Reserves Policy**

The Trustees review the level of financial reserves of the Academy annually. The Academy's free reserves are its funds after excluding restricted funds. Free reserves are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. The Trustees will ensure that the level of reserves that can be carried forward at the end of the financial period will be in line with the guidance received from the DfE on the treatment of the General Annual Grant (GAG) income and other grants.

The Academy held fund balances as at 31<sup>st</sup> August 2015 of £3,043,410 comprising of restricted and unrestricted funds.

### **Investment Policy**

Under the Memorandum and Articles of Association, the Academy has the power to invest funds not immediately required for its own purposes, in any way the Trustees see fit. The Academy has a positive cash balance to cover eventualities and unforeseen expenses.

The Trustees have adopted a Treasury Management and Investment policy - the banking facilities are reviewed on a regular basis. The Academy has no funds invested as at 31<sup>st</sup> August 2015.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

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

The principal risk facing the Academy is changes to local funding formulae and falling pupil rolls as funding is based on pupil numbers. Pupil numbers may also be affected by the reputation of the Academy; however our pupil numbers are consistently high with few spaces available. Trustees do not consider this to be a high risk. The Academy is currently rated as good by Ofsted and is striving towards an outstanding rating.

Strategies to develop middle leadership have been implemented during the last 12 months and are on-going as at 1<sup>st</sup> September 2015. The development of the leadership capacity within the Academy will ensure outcomes for pupils and school improvement remain high. Staffing is stable and there is provision to cover items such as maternity and sickness absence.

### **Plans for Future Periods**

The Academy Trust expects both pupil numbers and staffing to be stable. The Trust will continue to look at the employment of staff across the school and continue to enhance the facilities for the benefit of all learners. Budget forecasts have been submitted to the EFA within the required timescale. Trustees in partnership with the Headteacher prepare an annual Academy development plan which considers the aims and objectives for the forthcoming year.

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

#### English

A focus on specific learning goals within lessons. A clearer understanding from pupils as to what good outcome will look like and a greater emphasis on the impact of success criteria.

A continued focus on quality marking so that next steps to learning are clearly identified and acted upon.

#### Mathematics

A review of mastery and how children can become fluent and competent mathematicians.

A continued drive on our top learners so that an increased proportion exceeds national expectations.



## **Aim High Academy Trust**

### **Trustees' Report (continued)**

#### Curriculum

Implementation of an assessment tool to enable assessment without levels. A continued focus on teaching a breadth of skills within each year group.

Further enhancing our 'Forest School' to bring learning to the outdoors – to build a team of staff so as to lead with knowledge and expertise.

We have a continuous improvement culture which is embedded within the Academy whereby learning and development is an integral part of the day to day activities.

#### **Funds held as Custodian Trustee on behalf of others**

There are no funds held as Custodian Trustee on behalf of others.

#### **Auditor**

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) are deemed to be re-appointed under Section 487(2) of the Companies Act 2006.

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.

The auditors are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 15 December 2015 and signed on the Board's behalf by:



P Dutton  
Trustee (Chair)

# Aim High Academy Trust

## Governance Statement

### Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive (Headteacher), 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 Newbottle Primary Academy 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 Governing Body has formally met 4 times during the period. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings Attended	Out of a possible
P Dutton (Chair)	9	9
G Stephenson (Headteacher + Accounting Officer)	9	9
S Blake (staff trustee)	6	9
D A Carter (staff trustee)	5	9
C Francis (resigned November 2014)	1	2
C Gill (Vice-Chair)	4	9
J Moran (Business Manager)	9	9
A Slassor	5	9
J Thompson	6	9
S Morgan	5	9
J Westwater	8	9
H Westwater	5	9
L Stanley (parent trustee appointed March 2015)	3	4

The Academy's Internal Auditor (Responsible Officer) has undertaken a review of governance in July 2015. The audit did not reveal any matters which were considered to be high or significant risk. The Responsible Officer concluded that the findings of the audit give substantial assurance overall that the Academy Trust has effective governance and financial management arrangements in place. The controls evaluated were well designed, appropriate in scope and applied consistently and effectively.

The internal auditor has been employed to conduct regular reviews of governance in future.

## Aim High Academy Trust

### Governance Statement (continued)

The Finance and Premises Committee is a sub-committee of the main Governing Body. Its purpose is to ensure efficient and effective use of resources whilst seeking ways to ensure the fabric of the building remains fit for purpose and provides a productive learning environment. The review of governance has revealed that there is good participation in decision making by members of the committee. Attendance at meetings in the period was as follows:

Trustee	Meetings Attended	Out of a possible
P Dutton	5	5
G Stephenson (Headteacher + Accounting Officer)	5	5
J Westwater (Chair)	5	5
J Moran (Business Manager)	5	5
H Westwater	3	5
A Slassor	5	5
C Gill	0	5
J Thompson	4	5

#### Review of Value for Money

As accounting officer the Headteacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- **Targeted Improvement:** The trust has utilised the skills of the administration team to focus on further improving school attendance, particularly working with those families who are persistently late. This work has resulted in the academy achieving better than national average attendance and cutting persistent absentees to significantly below the national average.

The trust has further refined its assessment tools so as to provide meaningful data to pupils, teachers and parents. A robust self-written assessment scheme has been put in place to highlight progress and next steps to learning within the new national curriculum.

The Academy has begun to implement a strategy of mastery in mathematics. One member of staff is currently being trained by the North East Maths Hub to implement this initiative across a number of schools. This has resulted in a much greater proportion of our pupils making more than expected progress in mathematics.

#### 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 Newbottle Primary Academy for the period 1<sup>st</sup> September 2014 to 31<sup>st</sup> August 2015 and up to the date of approval of the annual report and financial statements.

## **Aim High Academy Trust**

### **Governance Statement (continued)**

#### **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 period 1<sup>st</sup> September 2014 to 31<sup>st</sup> August 2015 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 & Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint the City of Sunderland's Internal Audit Team to act as Responsible Officer to the Academy. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Testing of income streams and accounting arrangements
- Testing of expenditure and accounting arrangements
- Testing of governance and financial management arrangements

These audits did not reveal any matters considered to be of high or significant risk.

On a termly basis the auditor reports to the Board of Trustees, through the Finance & Premises Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

## **Aim High Academy Trust**

### **Governance Statement (continued)**

#### **Review of Effectiveness**

As Accounting Officer, the Headteacher (Principal) has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- The work of the internal auditor/responsible officer;
- The work of the external auditor;
- 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 Finance & Premises Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 15 December 2015 and signed on its behalf by:



P Dutton  
Trustee (Chair)



G Stephenson  
Accounting Officer

## **Aim High Academy Trust**

### **Statement on Regularity, Propriety and Compliance**

As Accounting Officer of Aim High Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education 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. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that 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.



G STEPHENSON  
ACCOUNTING OFFICER

15 December 2015

## **Aim High Academy Trust**

### **Statement of Trustees' Responsibilities**

The Trustees (who act as Governors of Aim High Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2005;
- 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 financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 15 December 2015 and signed on its behalf by:



P Dutton  
Trustee (Chair)

## **Aim High Academy Trust**

### **Independent Auditor's Report on the Financial Statements to the Board of Trustees of Aim High Academy Trust**

We have audited the financial statements of Aim High Academy Trust for the year ended 31 August 2015 on pages 16 to 34. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2014 to 2015 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 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 Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

#### **Opinion on other requirement of the Companies Act 2006**

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



## **Aim High Academy Trust**

### **Independent Auditor's Report on the Financial Statements to the Board of Trustees of Aim High Academy Trust (continued)**

#### **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:

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

*RSM UK Audit LLP*

Kevin Rooney (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
1 St James Gate  
Newcastle Upon Tyne  
NE1 4AD

Date *15 December 2015*

# Aim High Academy Trust

## Statement of Financial Activities for the Year Ended 31 August 2015 (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2015 £000	Total 2014 £000
<b>Incoming Resources</b>						
<i>Incoming resources from generating funds:</i>						
- Activities for generating funds	2	141	3	-	144	64
- Voluntary income – transfer from Local Authority on conversion		-	-	-	-	3,046
<i>Incoming resources from charitable activities:</i>						
Funding for the academy trust's educational operations	3	2	1,966	9	1,977	1,038
<b>Total incoming resources</b>		<b>143</b>	<b>1,969</b>	<b>9</b>	<b>2,121</b>	<b>4,148</b>
<b>Resources expended</b>						
<i>Cost of generating funds:</i>						
Fundraising trading		10	1	-	11	4
<i>Charitable activities:</i>						
Academy trust educational operations	5	112	1,867	75	2,054	1,041
<i>Governance costs</i>	6	-	35	-	35	21
<b>Total resources expended</b>	4	<b>122</b>	<b>1,903</b>	<b>75</b>	<b>2,100</b>	<b>1,066</b>
<b>Net incoming / (outgoing) resources before transfers</b>		<b>21</b>	<b>66</b>	<b>(66)</b>	<b>21</b>	<b>3,082</b>
Gross transfer between funds	13	(101)	(23)	124	-	-
<b>Net (expenditure) / income for the year</b>		<b>(80)</b>	<b>43</b>	<b>58</b>	<b>21</b>	<b>3,082</b>
<b>Other recognised gains and losses</b>						
Actuarial gains / (losses) on defined benefit pension schemes	13,20	-	6	-	6	(66)
<b>Net movement in funds</b>		<b>(80)</b>	<b>49</b>	<b>58</b>	<b>27</b>	<b>3,016</b>
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2014	13	310	(214)	2,920	3,016	-
<b>Total funds carried forwards at 31 August 2015</b>	13	<b>230</b>	<b>(165)</b>	<b>2,978</b>	<b>3,043</b>	<b>3,016</b>

All of the academy trust's activities derive from acquisitions in the current financial period.

2014 comparator figures in all the financial statements and notes relate to a 7 month period.

# Aim High Academy Trust

## Balance Sheet as at 31 August 2015

Company Number 08842629

	Notes	2015 £000	2015 £000	2014 £000	2014 £000
<b>Fixed Assets</b>					
Tangible assets	10		2,949		2,992
<b>Current Assets</b>					
Debtors	11	57		73	
Cash at bank and in hand		342		370	
		<u>399</u>		<u>443</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	12	(56)		(155)	
<b>Net current assets</b>			<u>343</u>		<u>288</u>
<b>Total assets less current liabilities</b>			<b>3,292</b>		<b>3,280</b>
Creditors: Amounts falling due after more than one year			-		-
<b>Net assets excluding pension liability</b>			<u><b>3,292</b></u>		<u><b>3,280</b></u>
Pension scheme liability	20		(249)		(264)
<b>Net assets including pension liability</b>			<u><b>3,043</b></u>		<u><b>3,016</b></u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
- Fixed asset fund	13	2,978		2,920	
- General fund	13	84		50	
- Pension reserve	13	(249)		(264)	
<b>Total restricted funds</b>			<b>2,813</b>		<b>2,706</b>
<b>Unrestricted income funds</b>					
- General fund	13	230		310	
<b>Total unrestricted funds</b>			<u><b>230</b></u>		<u><b>310</b></u>
<b>Total funds</b>			<u><b>3,043</b></u>		<u><b>3,016</b></u>

The financial statements on pages 16 to 34 were approved by the trustees, and authorised for issue on 15 December 2015 and are signed on their behalf by:



P Dutton  
Chair

## Aim High Academy Trust

### Cash Flow Statement for the Year Ended 31 August 2015

	Notes	2015 £000	2014 £000
<b>Net cash inflow from operating activities</b>	16	77	63
Cash transferred on conversion to an academy trust		-	326
Capital expenditure	17	(105)	(19)
<b>Increase in cash in the year</b>	18	<u>(28)</u>	<u>370</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September 2014		370	-
<b>Net funds at 31 August 2015</b>		<u>342</u>	<u>370</u>

# **Aim High Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2015**

### **1. Statement of Accounting Policies**

#### **Basis of Preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' (SORP 2005), the Academies Accounts Direction 2014 to 2015 issued by EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### **Going Concern**

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

#### **Incoming Resources**

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

- **Grants Receivable**

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

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

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

- **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 is certainty of receipt and it is measurable.

- **Donations**

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

- **Other Income**

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

- **Donated Services and Gifts in Kind**

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

# **Aim High Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

### **1. Statement of Accounting Policies (continued)**

#### **Resources Expended**

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

- **Costs of Generating Funds**

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

- **Charitable Activities**

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

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

#### **Tangible Fixed Assets**

Assets costing £1000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets 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	50 years
• Furniture and equipment	7 years
• Computer equipment	3 years
• Motor vehicles	7 years

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

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

#### **Leased Assets**

Rentals under operating leases are charged on straight line basis over the lease term.

# **Aim High Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

### **1. Statement of Accounting Policies (continued)**

#### **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 part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Pensions Benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 20, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

#### **Fund Accounting**

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

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

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

# Aim High Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

### 2 Activities for Generating Funds

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Catering Income	49	-	49	33
Music Tuition Income	5	2	7	3
Commission	2	-	2	-
Pupil Contributions to Charities	5	-	5	1
Educational Visits	23	-	23	10
Moderation Fees	-	1	1	-
Fees – Out of School Clubs	42	-	42	17
Basic Skills Quality Mark	4	-	4	-
Income for School Activities	11	-	11	-
	<u>141</u>	<u>3</u>	<u>144</u>	<u>64</u>

### 3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
<b>DfE / EFA revenue grants</b>				
- General Annual Grant (GAG)	-	1,519	1,519	880
- Start Up Grants	-	-	-	9
- Capital Grant	-	9	9	9
- Other DfE/EFA grants	2	229	231	53
	<u>2</u>	<u>1,757</u>	<u>1,759</u>	<u>951</u>
<b>Other Government Grants</b>				
- Local Authority Grants	-	152	152	62
	<u>-</u>	<u>152</u>	<u>152</u>	<u>62</u>
<b>Non Grant Income</b>	-	66	66	25
	<u>2</u>	<u>1,975</u>	<u>1,977</u>	<u>1,038</u>



# Aim High Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

### 4 Resources Expended

	Staff Costs £000	Non Pay Expenditure Premises £000	Other £000	Total 2015 £000	Total 2014 £000
Costs of activities for generating funds	-	-	11	11	4
Academy's educational operations:					
- Direct costs	1,292	-	238	1,530	777
- Allocated support costs	187	112	225	524	264
	<u>1,479</u>	<u>112</u>	<u>474</u>	<u>2,065</u>	<u>1,045</u>
Governance costs including allocated support costs	-	-	35	35	21
	<u>1,479</u>	<u>112</u>	<u>509</u>	<u>2,100</u>	<u>1,066</u>

Incoming/outgoing resources for the year include:

	2015 £000	2014 £000
Operating leases:		
- Other Leases	10	10
Fees payable to auditor for:		
- Audit	6	4
- Other Services	<u>2</u>	<u>2</u>

### 5 Charitable Activities

	Total 2015 £000	Total 2014 £000
<b>Direct costs – educational operations</b>		
Teaching and educational support staff costs	1,292	661
Depreciation	74	40
Technology costs	27	8
Educational supplies	73	45
Staff development	42	5
Educational consultancy	4	2
Other direct costs	<u>18</u>	<u>16</u>
	<u>1,530</u>	<u>777</u>
<b>Support costs – educational operations</b>		
Support staff costs	129	83
Depreciation	1	1
Technology costs	8	5
Maintenance of premises and equipment	26	8
Cleaning	29	15
Rent & rates	3	9
Energy costs	37	16
Insurance	54	31
Security and transport	7	5
Catering	158	55
Other support costs	14	12
Pension finance charge	<u>58</u>	<u>24</u>
	<u>524</u>	<u>264</u>
<b>Total direct and support costs</b>	<u>2,054</u>	<u>1,041</u>

# Aim High Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

### 6 Governance Costs

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Legal and professional fees	-	27	27	15
Auditor's remuneration				
- Audit of financial statements	-	6	6	4
- Other audit costs	-	2	2	2
	-	35	35	21

### 7 Staff

#### a. Staff costs

Staff costs during the period were:

	2015 £000	2014 £000
Wages and salaries	1,148	614
Social security costs	75	41
Operating costs of defined benefit pension schemes	177	87
	<u>1,400</u>	<u>742</u>
Supply staff costs	84	27
	<u>1,484</u>	<u>769</u>

#### b. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

##### Charitable Activities

	2015 No.	2014 No.
Teachers	18	16
Administration and support	18	16
Management	5	4
	<u>41</u>	<u>36</u>

#### c. Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2015 No.	2014 No.
£70,001 - £80,000	1	-

The above employee participated in the Teachers' Pension Scheme.

## **Aim High Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

#### **8 Related Party Transactions – Trustees' Remuneration & Expenses**

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

Mr G Stephenson (Headteacher):

Remuneration	£70,000 - £75,000 (2014: £40,000 - £45,000)
Employer's pension contributions	£ 5,000 - £10,000 (2014: £ 5,000 - £10,000)

Mrs J Moran (Business Manager):

Remuneration	£35,000 - £40,000 (2014: £20,000 - £25,000)
Employer's pension contributions	£ 5,000 - £10,000 (2014: £ 0 - £ 5,000)

Mr D Carter (Teacher):

Remuneration	£20,000 - £25,000 (2014: £15,000 - £20,000)
Employer's pension contributions	£ 0 - £ 5,000 (2014: £ 0 - £ 5,000)

Mrs S Blake (Teaching Assistant):

Remuneration	£15,000 - £20,000 (2014: £ 5,000 - £10,000)
Employer's pension contributions	£ 0 - £ 5,000 (2014: £ 0 - £ 5,000)

2014 figures cover the period 1<sup>st</sup> February – 31<sup>st</sup> August 2014.

During the period ended 31 August 2015, no travel and subsistence expenses (2014: £0) were reimbursed to trustees.

Other related party transactions involving the trustees are set out in note 21.

#### **9 Trustees' and Officers' Insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2015 was £1,802 (2014: £1,051).

The cost of this insurance is included in the total insurance cost.

# Aim High Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

### 10 Tangible Fixed Assets

	Freehold Land and Buildings £000	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Equipment £000	Motor Vehicles £000	Total £000
<b>Cost</b>						
At 1 September 2014	-	2,993	15	18	7	3,033
Additions	-	14	5	13	-	32
At 31 August 2015	-	3,007	20	31	7	3,065
<b>Depreciation</b>						
At 1 September 2014	-	34	1	5	1	41
Charged in year	-	60	3	10	2	75
At 31 August 2015	-	94	4	15	3	116
<b>Net book values</b>						
At 31 August 2015	-	2,913	16	16	4	2,949
At 31 August 2014	-	2,959	14	13	6	2,992

### 11 Debtors

	2015 £000	2014 £000
Trade debtors	2	1
VAT recoverable	23	22
Other Debtors	1	-
Prepayments and accrued income	31	50
	<u>57</u>	<u>73</u>

### 12 Creditors: amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	2	21
Taxation and social security	1	1
Accruals and deferred income	53	133
	<u>56</u>	<u>155</u>

#### Deferred income

	2015 £000
Deferred Income at 1 September 2014	37
Resources deferred in the year	39
Amounts released from previous years	(37)
Deferred Income at 31 August 2015	<u>39</u>

At the balance sheet date the academy trust was holding funds received in advance for Academy Infant Free School Meals (£37k) and educational visits (£2k).

# Aim High Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

### 13 Funds

	Balance at 31 August 2014	Incoming Resources	Resources Expended	Gains, Losses and Transfers	Balance at 31 August 2015
	£000	£000	£000	£000	£000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	44	1,519	(1,539)	(23)	1
Other DfE/EFA grants	-	229	(229)	-	-
Other income	6	221	(144)	-	83
	50	1,969	(1,912)	(23)	84
Pension reserve	(264)	-	9	6	(249)
	(214)	1,969	(1,903)	(17)	(165)
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	9	9	-	-	18
Capital Expenditure from GAG	-	-	(4)	23	19
Other Income	-	-	(5)	101	96
Transfer from Local Authority	2,911	-	(66)	-	2,845
	2,920	9	(75)	124	2,978
<b>Total restricted funds</b>	<b>2,706</b>	<b>1,978</b>	<b>(1,978)</b>	<b>107</b>	<b>2,813</b>
<b>Unrestricted funds</b>					
Unrestricted funds	310	143	(122)	(101)	230
<b>Total unrestricted funds</b>	<b>310</b>	<b>143</b>	<b>(122)</b>	<b>(101)</b>	<b>230</b>
<b>Total funds</b>	<b>3,016</b>	<b>2,121</b>	<b>(2,100)</b>	<b>6</b>	<b>3,043</b>

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

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

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

The gross transfer from the restricted general fund to the restricted fixed asset fund of £23,182 represents the capital expenditure from GAG during the period.

The gross transfer from the unrestricted fund to the restricted fixed asset fund of £101,481 represents the capital funding from the unrestricted funds.

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

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

# Aim High Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

### 14 Analysis of Net Assets between Funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	2,949	2,949
Current assets	232	138	29	399
Current liabilities	(2)	(54)	-	(56)
Pension scheme liability	-	(249)	-	(249)
<b>Total net assets</b>	<b>230</b>	<b>(165)</b>	<b>2,978</b>	<b>3,043</b>

### 15 Financial Commitments

#### Operating Leases

At 31 August 2015 the academy trust had annual commitment under non-cancellable operating leases as follows:

	2015 £000	2014 £000
<b>Other</b>		
Expiring within two and five years inclusive	11	10
	<u>11</u>	<u>10</u>

### 16 Reconciliation of Net Income to Net Cash Inflow from Operating Activities

	2015 £000	2014 £000
Net income	21	3,082
Depreciation (note 10)	75	41
Capital grants from DfE and other capital income	(9)	(9)
Transfer from Local Authority	-	(3,046)
FRS 17 pension charge (note 20)	(9)	(5)
Decrease / (increase) in debtors	16	(73)
(Decrease) / increase in creditors	(17)	73
<b>Net cash provided by / (used in) Operating Activities</b>	<b>77</b>	<b>63</b>

### 17 Capital Expenditure and Financial Investment

Purchase of tangible fixed assets	(114)	(28)
Capital grants from DfE/EFA	9	9
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(105)</b>	<b>(19)</b>

### 18 Analysis of Changes in Net Funds

	At 1 September 2014 £000	Cash Flows £000	At 31 August 2015 £000
Cash in hand and at bank	370	(28)	342
<b>Total cash and cash equivalents</b>	<b>370</b>	<b>(28)</b>	<b>342</b>

## **Aim High Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

#### **19 Members' Liability**

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

## **Aim High Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

#### **20 Pension and Similar Obligations**

The academy'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 South Tyneside 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.

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

#### **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 year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation 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 TPS in the period amounted to £189,353 (2014: £102,831).



## Aim High Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

#### 20 Pension and Similar Obligations (continued)

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, 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.

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2015 was £83,000, of which employer's contributions totalled £67,000 and employees' contributions totalled £16,000. The agreed contribution rates for future years are 23.6% for employers and 5.5% - 12.5% for employees.

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

#### Principal Actuarial Assumptions (% per annum)

	At 31 August 2015	At 31 August 2014
Rate of increase in salaries	3.6	3.6
Rate of increase for pensions in payment/inflation	2.1	2.1
Discount rate for scheme liabilities	3.8	3.7
Inflation assumption (CPI)	2.1	2.1
Commutation of pensions to lump sums	75.0	0.0

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

	At 31 August 2015	At 31 August 2014
<i>Retiring today</i>		
Males	23.1	23.0
Females	24.7	24.6
<i>Retiring in 20 years</i>		
Males	25.1	25.0
Females	27.0	26.9

# Aim High Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

### 20 Pension and Similar Obligations (continued)

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

	Fair Value at 31 August 2015 £000	Fair Value at 31 August 2014 £000
Equities	398	337
Property	56	18
Government Bonds	22	58
Corporate Bonds	70	46
Cash	19	13
Other	37	30
<b>Total market value of assets</b>	<b>602</b>	<b>502</b>
Present value of scheme liabilities		
- Funded	(851)	(766)
<b>Surplus/(deficit) in the scheme</b>	<b>(249)</b>	<b>(264)</b>

The actual return on scheme assets was £17,000 (2014: £32,000).

#### Amounts recognised in the Statement of Financial Activities

	2015 £000	2014 £000
Current service cost (net of employee contributions)	(63)	(25)
Past service cost	0	0
<b>Total operating charge</b>	<b>(63)</b>	<b>(25)</b>
<b>Analysis of pension finance income</b>		
Expected return on pension scheme assets	35	17
Interest on pension liabilities	(30)	(16)
<b>Pension finance income/(costs)</b>	<b>5</b>	<b>1</b>

The actuarial gains and losses for the current period are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of FRS 17 is a £60,000 loss (2014: £66,000 loss).

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

	2015 £000	2014 £000
<b>Opening present values of liabilities</b>	<b>766</b>	<b>636</b>
Current service cost	63	25
Interest cost	30	16
Employee contributions	16	8
Actuarial (gain) / loss	(24)	81
<b>At 31 August</b>	<b>851</b>	<b>766</b>

# Aim High Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

### 20 Pension and Similar Obligations (continued)

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

	2015 £000	2014 £000
Opening fair value of assets	502	433
Expected return on assets	35	17
Actuarial gain/(loss)	(18)	15
Employer contributions	67	29
Employee contributions	16	8
<b>At 31 August</b>	<b>602</b>	<b>502</b>

The estimated value of employer contributions for the period ended 31 August 2016 is £70,000.

#### The five-year history of experience adjustments is as follows:

	2015 £000	2014 £000
Present value of defined benefit obligations	(851)	(766)
Fair value of share of scheme assets	602	502
<b>Deficit in the scheme</b>	<b>(249)</b>	<b>(264)</b>
Experience adjustments on share of scheme assets Amount £000	(18)	15
Experience adjustments on scheme liabilities Amount £000	0	0

## **Aim High Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

#### **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 the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

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

Pat Dutton – a self-employed Basic Skills Assessor (Mrs Dutton is a member of the trust):

Aim High Academy Trust operate the Quality Mark for Basic Skills on behalf of Sunderland Local Authority. Mrs Dutton was employed to carry out assessments at schools in the Sunderland area and received remuneration totalling £3,125. These services were provided by Mrs Dutton at cost and in accordance with the trust's financial regulations. There were no amounts outstanding as at 31.8.2015.

Focus on Learning – a company in which Mrs S Morgan (a trustee of the trust) has a majority interest:

Transactions totalling £663 relating to training services provided for staff. There were no amounts outstanding as at 31.8.2015.

In addition Mrs Morgan was employed to carry out assessments relating to the Quality Mark for Basic Skills and received remuneration totalling £250. These services were provided by Mrs Morgan at cost and in accordance with the trust's financial regulations. There were no amounts outstanding as at 31.8.2015.

In entering into these transactions the trust has complied with the requirements of the EFA's Academies Financial Handbook.