

The Aspirations Academies Trust

Annual report and financial statements

Period ended 31 August 2013

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COMPANIES HOUSE

A company limited by guarantee Registration
number 07867577 (England and Wales)

Reference and Administrative Details

Trustees	R Quaglia (Chair) S Kenning P Kenning (resigned 1 st July 2013) D Haywood R McNulty A Ray N Levett G Dykes (appointed 1 September 2012) G Whiting (appointed 1 September 2012)
Company Secretary	S Pink (appointed 25 February 2013)
Senior Management Team	S Kenning ¹ , Chief Executive (appointed 1 September 2012) P Kenning ¹ , Lead Executive Principal (appointed 1 July 2013) D Haywood, Director of Aspirations and Innovations (appointed 1 September 2012) S Pink, Director of Finance and Operations (appointed 25 February 2013) J Reece, HR Director (appointed 12 August 2013)
	¹ members of the audit committee
Principal and Registered office	Rivers Academy Tachbrook Road Feltham Middlesex TW14 9PE
Company registration number	07867577 (England and Wales)
Independent Auditor	Williams Giles Limited Chartered Accountants Registered Auditors 12 Conqueror Court Sittingbourne Kent ME10 5BH

Reference and Administrative Details

Advisers (continued)

Bankers

Lloyds TSB plc
21-22 High Street
Uxbridge
Middlesex
UB8 1JD

Solicitors

Michelmores LLP
48 Chancery Lane
London
WC2A 1JF

Trustees' Report

The trustees present their first annual report together with the financial statements and auditor's reports of the charitable company for the period from 1st June 2012 to 31st August 2013.

Structure, Governance and Management

Constitution

The academy is a charitable company limited by guarantee and an exempt charity, and was set up by a Memorandum of Association on the 1st November 2011. The company was dormant until the 1st June 2013. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of the Aspirations Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as the Aspirations Academies Trust.

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 or other officer or auditor of the Academy shall be indemnified out of the assets of the Academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement 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.

Principal Activities

The Academy Trust's object is to advance for the public benefit education, in particular to establish, maintain, carry on, manage and develop schools offering a broad and balanced curriculum.

Method of Recruitment and Appointment or Election of Trustees

Trustees are recruited when their skills, and national and international experience in education and/or business will add to the skill sets in the Trustee body to the advantage of the Trust. When new trustees are to be appointed, The Board approves at that time an appropriate process and criteria for recruitment based on a review of the skill and capability requirements of the Board, the current needs of the academy network and governance good practice for multi-academy trusts.

The individual academy governing bodies are represented by the Chair of one of the District Governing Bodies being appointed to the AAT Trustee Board. Graham Whiting fulfilled this role in 2012/13.

Trustees' Report

Policies and Procedures Adopted for the Induction and Training of Trustees

New trustees are welcomed to the governing body by the Chair of Trustees and Chief Executive who meet with the new trustee and discuss the range of business that the Trust undertakes, the wider educational context, the AAT's mission and aspirations, the operation of the network and the priorities for the coming year. The training of new trustees would depend on the skills, knowledge and expertise of the new trustee and the particular role that they may wish to develop for themselves while they are serving the Trustee Board

Trustees are also briefed regularly by senior management on educational and other AAT matters – through a combination of briefings at board meetings, other sessions, visits to academies and individual meetings.

Organisational Structure

The Trustee Board is the governing body for all AAT academies. The Trustees set general policy, approve an annual budget and plan, monitor performance against plans and budgets and make major decisions about strategy, network development and senior staff appointments.

The Trustee Board delegates a number of functions to the Local Advisory Bodies (“LAB”) for each academy. Each LAB reviews annual academy plans and budgets, monitors progress against targets and OFSTED standards, and oversees parent and community liaison.

Representatives of each LAB also sit on the District Governing Body (“DGB”), which looks strategically at ways to improve working across districts to improve efficiency and outcomes for students, and issues which affect all academies in a district.

The Trustees delegate the day-to-day responsibility to the senior management team led by Chief Executive Stephen Kenning. The running of each individual academy is delegated to its Principal.

Risk Management

The Trustees and senior management are responsible for identifying risks faced by the Trust, establishing procedures to mitigate these risks, and ensuring that employees are aware of these procedures and of the implications of failing to implement them. They are satisfied that these procedures are consistent with guidelines issued by the Charity Commission

The Trustees and senior management have established systems to assess risks, especially in relation to employing staff, running buildings, academy operations (e.g. teaching, health and safety, and off site activities), and finance. They have introduced operating procedures through a suite of policies and guidance, and internal controls in order to minimise risk. Where significant risk remains and it is practically possible, they have ensured that the AAT has adequate insurance cover. The AAT has developed an effective system of internal financial controls

The Trust maintains a risk register that is reviewed on a regular basis

Connected Organisations, including Related Party Relationships

The Aspirations Academies Trust operates in association with the Quaglia Institute for Student Aspirations (QISA) and Aspirations Unlimited International (AUI). The US based QISA and AUI

Trustees' Report

organisations do not directly fund Aspirations Academies Trust in England. Instead, they offer significant support by providing aspirations research, materials, surveys, and consultation support.

Objectives and Activities

Objects and aims

The Trust objective is set out in detail in its Articles of Association. In summary it is to advance for the public benefit education, in particular to establish, maintain, carry on, manage and develop schools offering a broad and balanced curriculum. It seeks to deliver this object through a network of academies clustered in a number of districts that work together to provide 3-18 education for our students. In accordance with the Articles of Association the Trust has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things, the basis for admitting students to our academies, and that the curriculum should comply with the substance of the National Curriculum.

The AAT approach is based around aspirations. Aspirations is the ability to dream about the future while being inspired in the present to reach those dreams.

The Aspirations Academies Trust shares QISA's core belief that for all students to have high aspirations they must believe in themselves, be actively engaged in their learning, and see the connection between what they learn today and who they want to become tomorrow.

Objectives, Strategies and Activities

All three organisations (AAT, QISA and AUI) are committed to helping schools foster students' aspirations so that all students reach their fullest potential and achieve the success they want for themselves. Working in conjunction with QISA and AUI, the Aspirations Academies Trust benefits from QISA's remarkable record of more than 30 years of research and experience working with students, educators, and schools. Central to this success is the innovative Aspirations Framework which outlines how to recognise and develop students' aspirations, while trusting in the professional judgment of educators to decide what concrete actions are best for their school. The framework is a research-based set of principles and conditions, yet does not provide a prescription for implementation, ultimately senior managers, teachers, and students must guide decisions about how best to realise the Aspirations Framework in their own academy. The combination of the experience and expertise of AAT and QISA, along with an Academy's expertise in its own unique culture is what cultivates a learning environment in which all students are inspired to achieve their very best— personally, socially, and academically.

The Aspirations Academies Trust (AAT) considers that its beliefs and principles are applicable and effective with students from age 3 to 18. Each stage of a child's education is extremely important - pre-school, primary and secondary - and should, where possible, be coherent across the phases of education in the practice of developing the principles and conditions central to the beliefs and aims of the AAT. For this reason, the AAT, wherever it is suitable, aims to develop all-through (ages 3-18) Academy Districts, with pre-school, primary and secondary academies working coherently together.

Trustees' Report

At whatever stage a child joins an Aspirations Academy, whether it is at the age of three or sixteen, the aim is to provide each individual child with the best possible life chance. This is done through the achievement of the highest level of qualifications, the development of skills essential to success in an inter-connected and highly competitive world, as well as encouraging the highest aspirations, expecting every student to gain a place at university or enter skilled employment.

At the core of the education provision at Aspirations Academies is outstanding teaching, high quality learning, effective support systems, an emphasis on traditional high standards of behaviour, attitude and uniform, rigorous systems of accountability, monitoring and evaluation, and an innovative and relevant curriculum. Students and staff are continually challenged to perform at their highest level within a creative culture of positivity, innovation and enthusiasm for success. Everyone is expected to take personal responsibility to become a lifelong learner. Great emphasis is placed on developing high levels of self-worth, engagement and a sense of purpose: the Three Guiding Principles that underpin student aspirations. Each Aspirations Academy is a school fit for the 21st century, where young people complete their school education well-prepared for success in the modern world.

Public Benefit

The Trustees have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's objectives, aims and planned future activities and consider that the Trust's aims are for the public benefit.

Achievements and Performance

Review of Activities

Although the financial statements run from the 1st June 2012, the Aspirations Academies Trust effectively started operating when it opened its first two academies on 1st August 2012. These were the Banbury Academy (formerly Banbury School), a secondary school, and its sister primary Dashwood Banbury Academy (formerly Dashwood Primary School) a one-form entry primary school. Dashwood will grow from 2013 when it becomes two forms of entry.

On 1st February 2013 Harners Banbury Academy joined the Banbury District. Formerly Harners Ground Community Primary School, the academy is a two-form entry primary school in close proximity to Banbury Academy.

On 1st July 2013 the West London District came into being with the conversion of the new Rivers Academy West London, which retained its name. This was a stand-alone academy that decided to join the AAT.

Significant work was also undertaken in year on three new AAT academies that were due to open early in 2013/14. These were Magna Academy Poole, Jewell Academy Bournemouth and Onel Academy West London. The first two will see the expansion of the AAT into a third district.

The support given to our first academies has paid off handsomely. The hard work of our students, as they strive to reach their dreams, has led to a major improvement in exam results.

At Banbury Academy the headline rate of GCSE passes at A*-C grades (including English and maths) went up from 49% in 2011/12 to 65% in 2012/13. 60% more students achieved A* and A grades compared to the year before. At A level the levels of success were maintained with 73% achieving A*-C grades (74% in 2011/12). Although the headline rate was largely unchanged from

The Aspirations Academies Trust

Trustees' Report

last year the value added scores showing outcomes against expectations based on previous academic achievement, were improved on previous years. A significant number of pupils received offers from Russell Group Universities.

At Dashwood Banbury Academy Key Stage 2 results were also impressive. The percentage of pupils achieving a level 4 in reading/writing went up from 73% to 88%. An already impressive equivalent rate in maths went up from 92% to 94%. Increases were also seen in those reaching level 5 in each discipline. Overall the academy has improved dramatically in a short time, with the headline rate of students achieving level 4 in reading/writing and maths increasing from just 29% in 2010 to 89% this year. These results put Dashwood in the 9th percentile nationally for progress from Key Stage 1 to 2.

Harners Banbury Academy only half way through the year, but still managed to improve on the strong results seen in 2011/12. For the second year running all students achieved a level 4 in reading/writing and maths with a greater proportion this year achieving a level 5. Harners' results put them in the 6th percentile nationally for progress from Key Stage 1 to 2.

Rivers Academy West London only joined the Trust just before the end of the year. Although headline measures were not quite as high as last year, they still demonstrate very significant progress from those achieved by Longford Community School only a few short years ago, reflecting their adoption of aspects of the aspirations ethos well before the formal transfer. The percentage of students securing 5 or more GCSEs at the highest grades (A*-C) rose to 95% from 90% last year. This is a 15% increase on the performance 2 years' ago. The number achieving the performance table benchmark of 5 A*-C grades including English and Maths was 50% (2012 56%). The difference in progress between the two measures was largely caused by the moving grade boundary in English. The 50% mark is however still well above the 33% achieved in 2009.

89% of all Year 13 students gained 3 or more A levels – a massive improvement from just 29% 2 years' ago. This means that an incredible number of students have secured places at their chosen universities. A much greater number of Rivers Academy students than ever before received offers from top universities this year - with 48% of all those who applied to university receiving offers from Russell Group institutions.

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.

Trustees' Report

Financial review

These financial statements reflect the first fifteen months of operational activity for the Trust. During the period the Trust received total income of £46,804,360, which included assets transferred in on conversion of schools of £35,354,084. Of this amount £34,399,351 represented the value of fixed assets. Expenditure for the period totalled £14,914,489 including a further £279,748 on purchasing fixed assets.

Financial and Risk Management Objectives and Policies

The academy provides access to two pension schemes for staff. Teachers' Pension Scheme (TPS); and the Local Government Pension Scheme (LGPS). All staff are automatically enrolled in the relevant pension scheme and must opt out if they choose not to invest in a pension. The TPS is a centrally managed scheme, where the government are responsible for any deficits. The TPS therefore poses no financial risk to the academy. However, the LGPS is administered locally and any deficit is the responsibility of the employer, which exposes the academy to a degree of financial risk. The LGPS is revalued each year. The scheme is in deficit and to reduce this deficit, the academy has set its employer contributions rate at 19.3% (Banbury district) or 21.54% (West London District). Although this is a significant liability, pension schemes are very stable and it poses a low financial risk to the academy. The government is currently consulting on changes to both the TPS and LGPS, which would reduce long-term risk to the academy if implemented. However, given that our current employers contributions will reduce the deficit, the long-term risks are already quite low.

Principal Risks and Uncertainties

The Trust is proactive about managing risks and our key actions have been outlined in detail earlier in this report. The key risks include financial risk, loss or unavailability of key staff, buildings and facilities risks and risk to our reputation. The educational environment is undergoing substantial change at the present time, which creates a great deal of uncertainty.

Reserves Policy

The AAT continues to grow rapidly. These first years of work with new academies places a strain on the academy finances given the investment often needed to make the required changes to improve outcomes for our students. The level of reserves in each academy is kept under review by the board of trustees but it is for each academy to determine the appropriate level of reserves applicable to its stage of development and risk profile. It is expected that academies will build up a certain level of reserves without disadvantaging current students.

Investments Policy

Where an academy has significant financial reserves, then it is permitted to invest the funds, if by doing so it is not disadvantaging current students. This may be where a project is being saved for, for example a capital improvement. Any investment must be deemed low risk. A balance between rate of return and access to the funds is sought that will provide reasonably fast access to the reserves, as the education environment is turbulent and each academy will need to ensure that they are able to respond appropriately to risks and opportunities.

Plans for Future Periods

The initial plans are to further expand the three districts that we have in operation. These are Banbury, West London and the South Coast. 2013/14 will see the first two academies in the South Coast District open with Magna Academy Poole opening on 1st September 2013 (a six-form entry

Trustees' Report

secondary academy that converted from Ashdown Technology College) and its sister primary school Jewell Academy Bournemouth that is a brand new two-form entry primary academy. The district will continue to expand with discussions currently underway regarding taking on new primary schools in the area.

The West London District will also grow with Oriel Academy West London joining Rivers Academy West London on the 1st October 2013. This is a two-form entry primary school (converting from Oriel Primary School). There are also advanced discussions with other primary schools in the Feltham area.

The Banbury District is currently working on a new studio school to be based on the existing Banbury Academy site, although a completely separate school. This is due to open in September 2014 subject to Secretary of State approval. This exciting new development will be a brand new, unique school catering for 14 - 18 year olds with an active interest in Science, Maths, Technology and Space. The Space Studio will have a real focus on Space Related Technologies. The aim overall is to develop very high quality Science and Maths education to prepare students exceptionally well for careers in space related industries, through an innovative curriculum combined with exposure to positive role models within the industries.

It is hoped that this school will provide a model that will be replicated in each of our districts.

There are also initial discussions regarding possible new academies within the Banbury District.

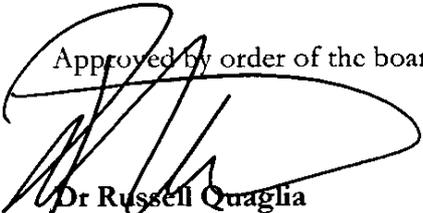
Ultimately the number of districts will grow, but the immediate priority is to develop our existing districts, before expanding into new geographical areas.

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.

Approved by order of the board of trustees on 17th December 2013 and signed on its behalf by



Dr Russell Quaglia
Chair of Trustees

Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive, as accounting officer, for ensuring financial controls conform to 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 Aspirations Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Governor	Meetings attended	Out of a possible
R Quaglia (Chair)	3	3
S Kenning	3	3
P Kenning	3	3
D Haywood	3	3
R McNulty	2	3
A Ray	2	3
N Levett	3	3
G Dykes	1	3
G Whiting	0	3

After year-end Graham Whiting sadly resigned due to ill health.

At the July Board meeting it was resolved to set up an audit committee as a sub-committee of the main board of trustees. The first appointed members were Stephen Kenning and Paula Kenning as representatives of the Board plus Graham Webb, who is a member of the Rivers Academy West London LAB and DGB. There is no separate finance committee as all finance business is conducted through the main board.

Governance Statement

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 within the Aspirations Academies Trust for the period 1 June 2012 to 31 August 2013 and up to date 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 period 1 June 2012 to 31 August 2013 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 governing body of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However during the year the trustees have appointed Simon Pink, the AAT Director of Finance and Operations, as responsible officer (RO), and William Giles, the external auditor, to perform additional checks.

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

The schedule of tests was performed this year, and found no major issues. It is acknowledged however that with new academies joining the Trust the systems of internal control are still being embedded.

Review of Effectiveness

As accounting officer the Chief Executive has responsibility for reviewing the effectiveness of the

Governance Statement

system of internal control During the year in question the review has been informed by

- the work of the responsible officer,
- the work of the external auditor,
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

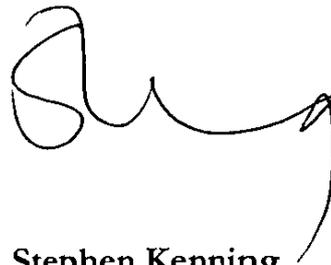
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the governing body and a plan to address weaknesses and ensure continuous improvement of the system is in place

Approved by order of the members of the board of trustees on 17th December and signed on its behalf by



Dr Russell Quaglia

Chair of Trustees



Stephen Kenning

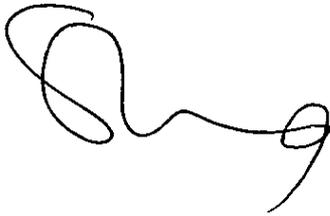
Accounting Officer

Statement on Regularity, Propriety and Compliance

As accounting officer of the Aspirations Academies 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.

A handwritten signature in black ink, appearing to read 'Stephen Kenning', with a stylized flourish at the end.

Stephen Kenning

Accounting Officer

Statement of Trustees' Responsibilities

The trustees (who act as governors of the Aspirations Academies 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 issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

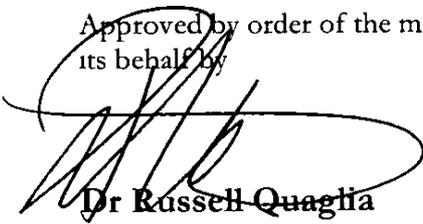
Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources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

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 the EFA/DfE have been applied for the purposes intended. The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 17th December 2013 and signed on its behalf by



Dr Russell Quaglia
Chair of Trustees

The Aspirations Academies Trust
(A company limited by guarantee)

Independent auditors' report to the members of The Aspirations Academies Trust

We have audited the financial statements of the Aspirations Academies Trust for the period ended 31 August 2013 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2013 issued by the Education Funding Agency.

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

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements.

- give a true and fair view of the state of the academy's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;

**The Aspirations Academies Trust
(A company limited by guarantee)**

Independent auditors' report to the members of The Aspirations Academies Trust

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2013 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report for the financial period for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

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



Alastair Crawford FCA (Senior statutory auditor)

for and on behalf of

Williams Giles Limited

Chartered Accountants
Registered Auditors

12 Conqueror Court
Sittingbourne
Kent
ME10 5BH
Date: 25/2/13

The Aspirations Academies Trust
(A company limited by guarantee)

Independent auditors' assurance report on regularity to The Aspirations Academies Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 16/11/12 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies' Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Aspirations Academies Trust during the period 1 September 2012 to 31 August 2013 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 Aspirations Academies Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Aspirations Academies Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Aspirations Academies Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Aspirations Academies Trust's Accounting officer and the auditors

The Accounting officer is responsible, under the requirements of the Aspirations Academies Trust's funding agreement with the Secretary of State for Education dated 31/03/11, and the Academies Financial Handbook as published by DfE in 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies' Accounts Direction 2013. 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 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies' Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

The Aspirations Academies Trust
(A company limited by guarantee)

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's income and expenditure

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 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Williams Giles Limited

Chartered Accountants
Registered Auditors

12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Date: 25/2/13

Statement of Financial Activities for the Period Ended 31 August 2013
(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 2013 £000
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	-	4	-	4
Voluntary income - transfer from Local Authority on conversion	2,27	955	-	32,325	33,280
Activities for generating funds	3	403	-	-	403
Investment income	4	5	-	-	5
<i>Incoming resources from charitable activities</i>					
Funding for the academy trust's educational operations	5	-	10,938	381	11,319
<i>Other incoming resources</i>					
Total incoming resources		1,363	10,942	32,706	45,011
Resources expended					
<i>Cost of generating funds</i>					
Costs of generating voluntary income	6	-	-	-	-
Fundraising trading	6	272	-	-	272
<i>Charitable activities</i>					
Academy trust educational operations	7	466	10,616	875	11,957
<i>Governance costs</i>	8,9	-	355	-	355
<i>Other resources expended - transfer from predecessor body on conversion</i>	27	-	2,301	-	2,301
Total resources expended	9,10	738	13,272	875	14,885
Net incoming (outgoing) resources before transfers		625	(2,330)	31,831	30,126
Transfers					
Gross transfers between funds	16	-	(226)	226	-
		625	(2,556)	32,057	30,126
Other recognised gains and losses					
Actuarial (losses) gains on defined benefit pension schemes	16, 25	-	(550)	-	(550)
Net movement in funds		625	(3,106)	32,057	29,576
Reconciliation of funds					
Total funds brought forward at 1 June 2012	16	-	-	-	-
Total funds carried forward at 31 August 2013		625	(3,106)	32,057	29,576

All of the Academy Trust's activities derive from acquisitions in the above financial period

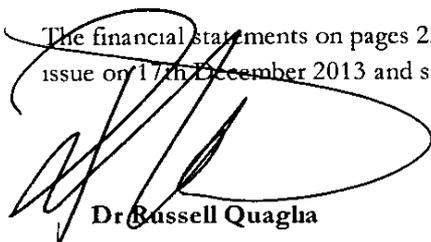
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

Balance Sheet as at 31 August 2013

Company Number 07867578

	Notes	2013 £000	2013 £000
Fixed assets			
Tangible assets	13		<u>31,729</u>
Total fixed assets			<u>31,729</u>
Current assets			
Debtors	14	548	
Cash at bank and in hand		<u>1,847</u>	
		2,395	
Liabilities:			
Creditors. Amounts falling due within one year	15	<u>(1,442)</u>	
Net current assets			<u>953</u>
Total assets less current liabilities			32,682
Creditors Amounts falling due after more than one year			-
Pension scheme liability	25		<u>(3,106)</u>
Net assets including pension liability			<u>29,576</u>
Funds of the academy trust.			
Restricted funds			
Fixed asset fund	16		32,057
General fund	16		-
Pension reserve	16		<u>(3,106)</u>
Total restricted funds			<u>28,951</u>
Unrestricted funds			
General fund(s)	16		<u>625</u>
Total unrestricted funds			<u>625</u>
Total Funds			<u>29,576</u>

The financial statements on pages 23 to 46 were approved by the Trustees, and authorised for issue on 17th December 2013 and signed on their behalf by



Dr Russell Quaglia

Cash Flow Statement for the Period Ended 31 August 2013

		2013 £000
Net cash inflow from operating activities	21	534
Returns on investments and servicing of finance	22	5
Capital expenditure	23	102
Cash transferred on conversion to an academy trust	21	1,206
(Decrease) / increase in cash in the year	24	<u>1,847</u>
Reconciliation of net cash flow to movement in net funds		
Net funds at 1 June 2012		-
Net funds at 31 August 2013		<u>1,847</u>

All of the cashflows are derived from acquisitions in the current financial period

Notes to the Financial Statements for the Period Ended 31 August 2013

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 issued by the 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 policies. Donations disclosed in note 2 represent the value of the assets and liabilities transferred from local authorities and predecessor schools on conversion to academy status. Assets and liabilities are transferred at open market value except where they represent fixed assets when they are transferred at values set by a

Notes to the Financial Statements for the Period Ended 31 August 2013

1. Statement of Accounting Policies (continued)

professional valuation, or other valuations as available from the predecessor body or local authority

Resources Expended

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

- **Costs of Generating Funds:** These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds
- **Charitable Activities:** These are costs incurred on the academy trust's educational operations.
- **Governance Costs:** These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £2,500 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.

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

- Freehold buildings 2%
- Long leasehold buildings 2%
- Fixtures, fittings and equipment 10%
- ICT equipment 25%
- Motor Vehicles 25%

Notes to the Financial Statements for the Period Ended 31 August 2013

1. Statement of Accounting Policies (continued)

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

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

Leased Assets

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

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

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 27, 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

Notes to the Financial Statements for the Period Ended 31 August 2013

1. Statement of Accounting Policies (continued)

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 that are to be applied to specific capital purposes imposed by the relevant 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.

Conversion to an Academy Trust

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

The assets and liabilities transferred on conversion from Banbury School, Dashwood Primary School, Harners Ground Community Primary School and Rivers Academy West London to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for the Aspirations Academies Trust Limited. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Land and buildings have been valued using estimates from the Education Funding Agency except where local valuations are available. Other classes of assets have been valued using asset registers on conversion and valued at depreciated replacement value. Pension liabilities have been transferred at the valuation provided by scheme actuaries. Further details of the transaction are set out in note 27.

Notes to the Financial Statements for the Period Ended 31 August 2013

2. Voluntary Income

	Unrestricted Funds £000	Restricted Funds £000	Total £000
Transfer from predecessor body on conversion	955	32,325	33,280
Private sponsorship	-	-	-
Other donations	-	4	4
	<u>955</u>	<u>32,329</u>	<u>33,284</u>

3. Activities for Generating Funds

	Unrestricted Funds £000	Restricted Funds £000	Total £000
Hire of Facilities	72	-	72
Academy trips	147	-	147
Consultancy income	30	-	30
Catering income	41	-	41
Uniform, exam fees & stationery sales	18	-	18
Sundry income	95	-	95
	<u>403</u>	<u>-</u>	<u>403</u>

4. Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total £000
Short term deposits	5	-	5
	<u>5</u>	<u>-</u>	<u>5</u>

Notes to the Financial Statements for the Period Ended 31 August 2013

5. Funding for Academies' educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000
DfE/EFA grants			
General Annual Grant (GAG)	-	9,696	9,696
. Start Up Grants	-	617	617
. Pupil Premium	-	430	430
. Capital Grants	-	381	381
. Other DfE / EFA grants	-	69	69
	<u>-</u>	<u>11,193</u>	<u>11,193</u>
Other Government grants			
. Local authority grants	-	126	126
Special educational projects	-	-	-
	<u>-</u>	<u>126</u>	<u>126</u>
	<u>-</u>	<u>11,319</u>	<u>11,319</u>

Notes to the Financial Statements for the Period Ended 31 August 2013

6. Resources Expended

	Staff Costs	Non Pay expenditure		Total
	£000	Premises £000	Other Costs £000	2013 £000
Costs of generating voluntary income	-	-	-	-
Costs of activities for generating funds	30	-	242	272
Academy's educational operations				
. Direct costs	6,694	-	969	7,663
. Allocated support costs	1,171	1,287	1,836	4,294
	<u>7,895</u>	<u>1,287</u>	<u>3,047</u>	<u>12,229</u>
Governance costs including allocated support cos	255	-	100	355
	<u>8,150</u>	<u>1,287</u>	<u>3,147</u>	<u>12,584</u>
Net Incoming/outgoing resources for the year include:				2013
				£000
Operating leases				155
Fees payable to auditor - audit				15
- other services				8
Profit/(loss) on disposal of fixed assets				<u>-</u>

Notes to the Financial Statements for the Period Ended 31 August 2013

7. Charitable Activities – Academies’ educational operations

	Unrestricted Funds	Restricted Funds	Total 2013
	£000	£000	£000
<i>Direct costs</i>			
Teaching and educational support staff costs	-	6,694	6,694
Depreciation	-	-	-
Technology costs	-	154	154
Educational supplies	-	271	271
Examination fees	-	128	128
Staff development	-	65	65
Educational consultancy	70	114	184
Other direct costs	76	91	167
	146	7,517	7,663
<i>Allocated support costs</i>			
Support staff costs	-	1,171	1,171
Depreciation	-	875	875
Technology costs	-	229	229
Recruitment and support	-	230	230
Maintenance of premises and equipment	-	437	437
Cleaning	-	481	481
Rent & rates	-	65	65
Energy costs	-	204	204
Insurance	-	100	100
Security and transport	-	75	75
Catering	41	37	78
Bank interest and charges	-	-	-
Other support costs	279	70	349
	320	3,974	4,294
	466	11,491	11,957

Notes to the Financial Statements for the Period Ended 31 August 2013

8. Governance Costs

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000
Legal and professional fees	-	70	70
Auditors' remuneration			
. Audit of financial statements	-	15	15
. Other audit costs	-	8	8
Support staff costs	-	255	255
Board meeting costs	-	7	7
Trustees' reimbursed expenses	-	-	-
	-	355	355

9. Staff Costs

Staff costs during the period were

	Total 2013 £000
Wages and salaries	6,308
Social security costs	469
Other pension costs	1,126
	<u>7,903</u>
Supply staff costs	207
Compensation payments	40
	<u>8,150</u>

The average number of persons (including senior management team) employed by the trust during the period (prorated across the 15 month period of account), expressed as full time equivalents was as follows.

	2013 No.
<i>Charitable Activities</i>	
Teachers	81.2
Administration and support	63.9
Management	8.8
	<u>153.9</u>

Notes to the Financial Statements for the Period Ended 31 August 2013

9. Staff Costs (continued)

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

	2013 No
£60,001 - £70,000	2
£110,001 - £120,000	0
£120,001 - £130,000	1
£130,001-£140,000	1

The above four employees participated in the Teachers' Pension Scheme. During the period to 31 August 2013, pension contributions for these staff amounted to £55,251.

10. Central Services

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

- Staff training and development services
- Access to Aspirations intellectual property
- . Financial services
- . HR services
- . Management services

The trust charges for these services on the following basis:

4% of recurrent General Annual Grant, not including amounts for reimbursement of costs, such as insurance and rates.

The actual amounts charged during the period were as follows:

	2013 £000
Banbury Academy	283
Dashwood Banbury Academy	32
Harners Banbury Academy	25
Rivers Academy West London	47
	<u>387</u>

Notes to the Financial Statements for the Period Ended 31 August 2013

11. Related Party Transactions - Trustees' Remuneration and Expenses

The Chief Executive and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive 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. The value of trustee's remuneration and benefits (including pension contributions) was as follows:

Mr S Kenning (Chief Executive and Accounting Officer)	£165,000-£170,000
Ms D Haywood	£65,000-£70,000

During the period ended 31 August 2013, travel and subsistence expenses totalling £11,957 were reimbursed to four trustees

Other related party transactions involving the trustees are set out in note 26.

12. Trustees' and Officers' Insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect governors 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 2013 was £5,544

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

13. Tangible Fixed Assets

	Freehold Land and Buildings	Leasehold Land and Buildings	Furniture and Equipment	Computer Equipment	Motor Vehicles	Assets Under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost							
At 1 June 2012	-	-	-	-	-	-	-
Transfer on conversion	16,652	14,436	786	437	14	-	32,325
Additions	106	-	35	67	-	71	279
Disposals	-	-	-	-	-	-	-
At 31 August 2013	16,758	14,436	821	504	14	71	32,604
Depreciation							
At 1 June 2012	-	-	-	-	-	-	-
Charged in year	252	293	125	200	5	-	875
Disposals	-	-	-	-	-	-	-
At 31 August 2013	252	293	125	200	5	-	875
Net book values							
At 31 August 2013	16,506	14,143	696	304	9	71	31,729

Notes to the Financial Statements for the Period Ended 31 August 2013

14. Debtors

	2013 £000
Trade debtors	15
VAT recoverable	174
Other debtors	-
Prepayments and accrued income	359
	<u>548</u>

15. Creditors: amounts falling due within one year

	2013 £000
Trade creditors	611
Taxation and social security	261
Other creditors	186
Accruals and deferred income	384
	<u>1,442</u>

Deferred income

	2013 £000
Deferred Income at 1 June 2012	-
Resources deferred in the year	22
Amounts released from previous years	-
Deferred Income at 31 August 2013	<u>22</u>

Deferred income held at at 31 August 2013 included the following:

- . Rates reimbursement grant of £16,961
- . Tnp income for future academy trips of £4,639

Notes to the Financial Statements for the Period Ended 31 August 2013

16. Funds

	Balance at 1 June 2012 £000	Incoming resources £000	Resources expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2013 £000
Restricted general funds					
General Annual Grant (GAG)	-	9,696	(9,470)	(226)	-
Start Up Grant	-	617	(617)	-	-
Other DfE/EFA grants	-	499	(499)	-	-
LA and other grants	-	126	(126)	-	-
Pension reserve	-	-	(2,556)	(550)	(3,106)
Other restricted	-	4	(4)	-	-
	-	10,942	(13,272)	(776)	(3,106)
Restricted fixed asset funds					
DfE/EFA capital grants	-	381	(53)	-	328
Inherited Fixed Assets	-	32,325	(596)	-	31,729
Capital expenditure from GAG	-	-	(226)	226	-
Private sector capital sponsorship	-	-	-	-	-
	-	32,706	(875)	226	32,057
Total restricted funds	-	43,648	(14,147)	(550)	28,951
Unrestricted funds					
Unrestricted funds	-	1,363	(738)	-	625
Total unrestricted funds	-	1,363	(738)	-	625
Total funds	-	45,011	(14,885)	(550)	29,576

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

General Annual Grant (GAG)

General Annual Grant must be used for the normal running costs of the Academy. 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 2013.

Restricted Fixed Asset Fund

The amount of Inherited Fixed Assets of £32,325,000 represents the depreciated replacement cost of the predecessor school's land and buildings and the cost of equipment, which transferred to the Trust on the dates of conversion as set out in note 27. The DfE/EFA grant of £381,000 relates to annual devolved capital grant, and an Academies Capital Maintenance Fund Grant awarded to Dashwood Banbury Academy to expand.

Notes to the Financial Statements for the Period Ended 31 August 2013

16. Funds (continued)

Fund balances at 31 August 2013 were allocated as follows

	Total £000
Banbury Academy	(5)
Dashwood Banbury Academy	(16)
Harriers Banbury Academy	(42)
Rivers Academy West London	647
Central office	41
	<hr/>
	625
	<hr/>
Restricted fixed asset fund	32,057
Pension reserve	(3,106)
Total	<hr/> 29,576 <hr/>

Banbury Academy is carrying a deficit of £19k on these funds because of an investment in the site over the summer. This will be covered by additional revenues in 2013/14.

Dashwood Banbury Academy is carrying a small deficit of £16k on these funds because of costs during its turnaround period. A balanced budget has been set for 2013/14 and the deficit will be recovered in future periods. It is underwritten by the Trust.

Harriers Banbury Academy is carrying a deficit of £46k on these funds because of additional senior staff costs during its turnaround period. A balanced budget has been set for 2013/14 and the deficit will be recovered in future periods. It is underwritten by the Trust.

Notes to the Financial Statements for the Period Ended 31 August 2013

16. Funds (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	Total £000
Banbury Academy	4,445	793	229	2,201	7,668
Dashwood Banbury Academy	596	87	41	385	1,109
Harners Banbury Academy	478	59	13	221	771
Rivers Academy West London	878	134	0	397	1,409
Central office	296	99	49	629	1,073
Academy Trust	6,693	1,172	332	3,833	12,030

The central office costs include the set up costs of academies opening in 2013/14

17. Analysis of net assets between funds

Fund balances at 31 August 2013 are represented by:

	Unrestricted general fund £000	Restricted general fund £000	Restricted fixed asset fund £000	Total 2013 £000
Tangible fixed assets	-	-	31,729	31,729
Current assets	1,316	751	328	2,395
Current liabilities	(691)	(751)	-	(1,442)
Pension scheme liability	-	(3,106)	-	(3,106)
Total net assets	625	(3,106)	32,057	29,576

Notes to the Financial Statements for the Period Ended 31 August 2013

18. Capital Commitments

	2013 £000
Contracted for, but not provided in the financial statements	-

19. Financial Commitments

Operating leases

At 31 August 2013 the Academy had annual commitments under non-cancellable operating leases as follows

	2013 £000
<u>Land and buildings</u>	
Expiring within one year	-
Expiring within two and five years inclusive	-
Expiring in over five years	-
	<hr/>
	-
	<hr/>
<u>Other</u>	
Expiring within one year	13
Expiring within two and five years inclusive	162
Expiring in over five years	-
	<hr/>
	175
	<hr/>

All leases novated to the Aspirations Academies Trust upon transfer.

Notes to the Financial Statements for the Period Ended 31 August 2013

20. Reconciliation of Net Income to Net Cash Inflow from Operating Activities

	2013 £000
Net income	30,126
Depreciation (note 13)	875
Capital grants from DfE and other capital income	(381)
Interest receivable (note 4)	(5)
FRS 17 pension cost less contributions payable (note 25)	165
FRS 17 pension finance income (note 25)	90
FRS 17 pension deficit inherited on conversion	2,301
Donations - inherited fixed assets (note 2)	(32,325)
Donations - cash transferred on conversion to an academy trust	(1,206)
(Increase)/decrease in debtors	(548)
Increase/(decrease) in creditors	1,442
Net cash inflow from operating activities	<u>534</u>

21. Returns on Investments and Servicing of Finance

Interest received	<u>5</u>
Net cash inflow from returns on investment and servicing of finance	<u>5</u>

22. Capital Expenditure and Financial Investment

Purchase of tangible fixed assets	(279)
Capital grants from DfE/EFA	381
Capital funding received from sponsors and others	-
Receipts from sale of tangible fixed assets	-
Net cash outflow from capital expenditure and financial investment	<u>102</u>

Notes to the Financial Statements for the Period Ended 31 August 2013

23. Analysis of changes in net funds

	At 1 June	Cash flows	At 31 August
	2012		2013
	£000	£000	£000
Cash in hand and at bank	-	1,847	1,847
	<u>-</u>	<u>1,847</u>	<u>1,847</u>

24. Members' Liability

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

25. Pensions and similar obligations

The 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 Oxfordshire County Council and the London Borough of Hounslow. All 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 2004 and of the LGPS 31 March 2010

Contributions amounting to £182,382 were payable to the schemes at 31 August and are included within creditors

Teachers' Pensions Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS

Notes to the Financial Statements for the Period Ended 31 August 2013

25. Pensions and similar obligations (continued)

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

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

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Notes to the Financial Statements for the Period Ended 31 August 2013

25. Pensions and similar obligations (continued)

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2013 was £394,490, of which employer's contributions totalled £270,558 and employees' contributions totalled £123,932. The agreed contribution rates for future years are between 19.3 and 21.54 per cent for employers (based on local authority determinations) and between 5.5 and 7.5 per cent for employees (tiered contributions based on pay).

As described in note 27 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

Notes to the Financial Statements for the Period Ended 31 August 2013

25. Pensions and similar obligations (continued)

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

Principal Actuarial Assumptions	At 31 August 2013
Rate of increase in salaries	5.10%
Rate of increase for pensions in payment / inflation	2.90%
Discount rate for scheme liabilities	4.70%
Inflation assumption (CPI)	2.90%
Commutation of pensions to lump sums	50%

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

	At 31 August 2013
<i>Retiring today</i>	
Males	19.2
Females	23.2
<i>Retiring in 20 years</i>	
Males	21.1
Females	25.1

Notes to the Financial Statements for the Period Ended 31 August 2013

25. Pensions and similar obligations (continued)

Local Government Pension Scheme

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

	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £000
Equities	6.5-7%	1,724
Gilts	3.5%	220
Other Bonds	4.4%	224
Property	5.5-6%	119
Cash	0.5%	108
Other (Hedge Funds)	5.0%	75
Total market value of assets		2,470
Present value of scheme liabilities		
- Funded		(5,576)
Surplus/(deficit) in the scheme		(3,106)

The actual return on the scheme assets was £194,000

Total expenditure recognised in the Statement of Financial Activities

	2013 £000
Current service cost (net of employee contributions)	271
Past service cost	0
Total operating charge	271

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	(71)
Interest on pension liabilities	161
Pension finance income / (costs)	90

Notes to the Financial Statements for the Period Ended 31 August 2013

25. Pensions and similar obligations (continued)

Local Government Pension Scheme (Continued)

The actual gains and losses for the current year 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 £765,000 loss.

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

	2013 £000
On conversion	4,093
Current service cost	271
Interest cost	130
Employee contributions	79
Actuarial (gain)/loss	672
Benefits paid	(34)
Past Service cost	-
Curtailments and settlements	-
Liabilities assumed in a business combination	365
At 31 August	<u>5,576</u>

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

	2013 £000
On conversion	1,792
Expected return on assets	71
Actuarial gains / (losses)	122
Employer contributions	251
Employee contributions	79
Benefits paid	(34)
Receipt of bulk transfer value	189
At 31 August	<u>2,470</u>

The estimated value of employer contributions for the year ended 31 August 2014 is £399,000.

Notes to the Financial Statements for the Period Ended 31 August 2013

26. Related Party Transactions

Owing to the nature of the Trust's operations and the composition of the board of trustees being drawn from national and international public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

Aspirations Unlimited International (AUI) is deemed to be a related party, through its founder Dr Russ Quaglia. AUI develops innovative resources using the most current information about the state of student aspirations in today's schools. Surveys for staff, students and parents and associated support materials for students, teachers, school leaders, parents, school board members and coaches are available for schools that wish to measure and improve the "8 Conditions" that affect student and staff aspirations and success in schools. AUI charges the Trust, at or below cost, for access to AUI's intellectual property and materials plus consultancy support. In the period £37,235 was paid by the Trust to AUI. This contractual arrangement was agreed by the other Trustees in Dr Quaglia's absence.

27. Conversion to an Academy Trust

During the period three schools in Oxfordshire converted to academy trust status and one academy in Hounslow elected to join the Aspirations Academies Trust under the Academies Act 2010. All the operations and assets and liabilities were transferred to the Aspirations Academies Trust from the Local Authority/ predecessor academy for £nil consideration.

Current Academy Name	Date of conversion	Predecessor name	Local Authority
Banbury Academy	01/08/2012	Banbury School	Oxfordshire County Council
Dashwood Banbury Academy	01/08/2012	Dashwood Primary School	Oxfordshire County Council
Harners Banbury Academy	01/02/2013	Harners Ground Community Primary School	Oxfordshire County Council
Rivers Academy West London	01/07/2013	Rivers Academy West London	London Borough of Hounslow

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

Notes to the Financial Statements for the Period Ended 31 August 2013

27. Conversion to an Academy Trust (continued)

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
· Freehold/leasehold land & buildings	0	0	31,088	31,088
· Other tangible fixed assets	0	0	1,237	1,237
Budget surplus on LA funds	0	0	0	0
Budget surplus on other school funds	955	0	0	955
LGPS pension (deficit)	0	(2,301)	0	(2,301)
Borrowing obligations	0	0	0	0
Other identified assets and liabilities	0	0	0	0
Net assets/liabilities	955	(2,301)	32,325	30,979

The above net assets include £1,206,453 that were transferred as cash.