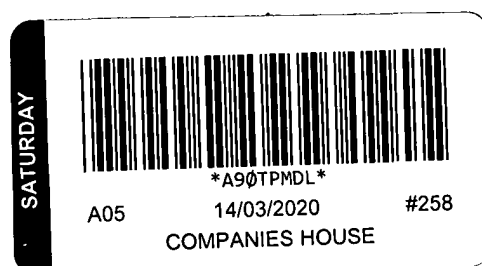


Company Registration Number: 07867577 (England & Wales)

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019



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

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ASPIRATIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	R Bosch Sancho M Corso R McNulty
Trustees	S Kenning, Managing Director and Accounting Officer ¹ C Bault ¹ L Lande (resigned 3 October 2018) R Bosch Sancho ¹ V Daniels, Chair of Trustees ¹ I Livingstone R Prime P Kenning ¹ T Baig M Brocklehurst
	¹ Member of the Risk Remuneration and Finance Committee
Company registered number	07867577
Company name	Aspirations Academy Trust
Principal and registered office	Rivers Academy Tachbrook Road Feltham Middlesex TW14 9PE
Company secretary	F Achamfour-Yeboah
Senior management team	S Kenning, Managing Director P Kenning, Deputy Managing Director J Reece, HR Director F Achamfour-Yeboah, Director of Finance R Lall, Director of Estates
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN
Bankers	Lloyds 21-22 High Street Uxbridge Middlesex UB8 1JD
Solicitors	Michelmores LLP 48 Chancery Lane London WC2A 1JF

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

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Aspirations Academy Trust operated 14 academies in 2018/19, rising to 15 in 2019/20, in three distinct regions: West London, South Central and South Coast. In October 2018, there were 8,500 students in the academies.

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 Aspirations Academies Trust are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the 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 they ceased to be a member.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	7
Full-time equivalent employee number	6

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	7
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	1,039	
Total pay bill	30,530,412	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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**ASPIRATIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £10,000,000.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

We recruit Trustees when we meet people who have had active involvement in our academies and who offer an alternative to the skills already in place in our Trust Board. When such people are identified we enquire regarding their interest in joining the Board before we approach our members for their approval. Two Trustee positions will be parental representatives.

Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees are welcomed to the Board of Trustees by the Chair of Trustees and Managing Director who meet with the new Trustee and discuss the range of business that the Trust undertakes, the wider educational context, the Trust'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 whilst they are serving on the Trustee Board. Trustees are also briefed regularly by senior management on educational and other Trust matters, through a combination of briefings at Board meetings, other sessions, visits to academies and individual meetings.

Organisational Structure

At 31 August 2019, the Academy Trust comprised the following individual academies:

- Wykham Park Academy Banbury
- Dashwood Banbury Academy
- Harriers Banbury Academy
- Rivers Academy West London
- Oriel Academy West London
- Oak Hill Academy West London
- Magna Academy Poole
- Jewell Academy Bournemouth
- Space Studio Banbury
- Space Studio West London
- Ocean Academy Poole
- Tech City College (closed on 31st August 2019)
- Park Academy West London
- Atlantic Academy Portland
- Bovington Academy

The Board of Trustees normally meets three times each year. The Trustee Board is the governing body for all the Trust's 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 Trust also has a Risk, Remuneration and Finance Committee which monitors the Trust's budget and finances on a monthly and meets 4 times a year.

The Board of Trustees delegates a number of functions to the Regional Boards that oversee the operation of each academy. Each Regional Board reviews annual academy plans, monitors progress against targets and OFSTED standards. Each Academy also has a Local Advisory Board (LAB). Chairs of each LAB sit on the Regional Boards which also looks strategically at ways to improve working across districts to improve efficiency and outcomes for students, academy finances, and issues which affect all academies in a district.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees delegate day-to-day operational responsibility of the Trust to the Executive Operational Board, which comprises the Senior Management Team led by the Managing Director and the Regional CEOs. The Executive Operational Board delivers the Trust strategy and maintains oversight of Trust performance. As part of its oversight function, the Executive Operational Board is also responsible for conducting financial and educational monitoring of the Trust's academies. The running of each individual academy is delegated to the Principal of each academy.

The Managing Director is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees and the Senior Management Team to comprise the key management personnel of the Academy Trust in charge of directing and controlling, running and operating the Academy Trust on a day to day basis. All Trustees give of their time freely and no Trustee received any remuneration in the current or prior year, other than those Trustees who are also employees of the Academy Trust. The details of Trustees' remuneration and expenses are disclosed in note 11 of the financial statements.

The pay of the Senior Management Team, excluding the Managing Director and Deputy Managing Director, is reviewed annually in line with the Academy Trust's pay and remuneration policy, with reference to published pay scales, the responsibilities and accountability of the respective roles and to the annual appraisal undertaken by the Managing Director which measures performance to objectives and targets set at the beginning of the academic year.

The Managing Director and Deputy Managing Director are appraised annually by the Risk, Remuneration and Finance Committee against the objectives and targets set at the beginning of the academic year. The pay of the Managing Director and Deputy Managing Director is then set based on the Academy Trust's pay and remuneration policy, the objectives and targets set for the coming academic year and available market information for similar roles in other Multi-Academy Trusts.

The Trust Board are acutely aware of the potential risks provided by the Managing Director and Deputy Managing Director, and co-founders, being a married couple. This has always been the situation throughout the eight years of operation of the Trust and the Trust Board ensure that all financial controls, including issues of procurement and recruitment, are adhered to correctly and, in particular, there is a full, annual, scrutiny of the salaries of the Managing Director and Deputy Managing Director.

Connected Organisations, including Related Party Relationships

The Trust began seven years ago working in association with the Quaglia Institute. The US based Quaglia Institute has never directly funded the Aspirations Academies Trust in England. Instead they have offered significant support by providing aspirations research, materials, surveys and consultation support over the years. Dr R Quaglia resigned as a Trustee and Director of the Trust on 8 March 2018. However, from December 2018, the Trust ended its association with the Quaglia Institute as it has developed its own survey materials and aspirations support systems.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal objects of the Academy Trust, are as set out in its Articles of Association.

In summary, it is to advance for the public benefit education in the United Kingdom, in particular maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum. It seeks to deliver this object through a network of academies clustered in a number of regions that work together to provide 2-18 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.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trust has 9 core principles built around the three guiding principles of self-worth, engagement and purpose:

- High expectations
- Opportunities
- Challenge
- Talent development
- Innovation and enterprise
- Makers and creators
- Global
- Employability
- With big dreams and hard work anything is possible

Objectives, Strategies and Activities

The key priorities for the year were contained in the Academy Trust's Development Plan, which forms part of the Trust's five year plan.

The Trust considers that its beliefs and principles are applicable and effective with students from age 2 to 18. Each stage of a child's education is extremely important - pre-school, primary, secondary and sixth form - 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 Trust. For this reason, the Trust, wherever it is suitable, aims to develop all-through (ages 2-18) Academy Regions, with pre-school, primary, secondary and sixth form academies working coherently together.

At whatever stage a child joins a Trust Academy, whether it is at the age of three or sixteen, the aim is to provide each individual child with the best possible life chances. This is done through the achievement of the highest level of qualifications, the development of skills essential to success in an interconnected 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 provisions at the Trust is outstanding teaching, high quality learning, effective support systems, an emphasis on traditional high standards of behaviours, 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 sense of purpose: the Three Guiding Principles that underpin student aspirations. Each Trust 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 confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

The Academy Trust aims to advance for the public benefit education in the regions it operates in, offering a broad curriculum and an excellent education environment for its pupils. The Academy Trust also allows the use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

STRATEGIC REPORT

Key Financial Performance Indicators

The key financial performance indicator is that individual academies live within their funding without jeopardising their educational operations. This is aided by ongoing benchmarking between academies and with national statistics. Two of our academies remain a cause for financial concern and these are being supported and monitored closely to ensure that they return to financial balance. Both should see pupil numbers rise in future years, which will assist the situation.

The main indicator of financial well-being is the level of reserves held at the balance sheet date and, in particular, the amount of unrestricted funding plus restricted income funds carried forward at the balance sheet date. At 31 August 2019, the balance of the unrestricted and restricted funds were £1,882,781, which is a decrease of £673,462 from the level of reserves held at 31 August 2018. Although the Trust has a further £1million in reserves which is held in the accounts against the £1 million deficit amassed by IPACA (now Atlantic Academy Portland) prior to it joining Aspirations. The agreement was that this debt would be ring-fenced only to Atlantic Academy Portland until such a time that the academy could start to repay this debt.

Further details on the level of reserves held by the Academy Trust are set out in the Reserves Policy section below.

As the majority of the Academy Trust's funding is based on pupil numbers, pupil numbers is also a key performance indicator. Pupil numbers at the October 2019 census were 8,834 which is an increase from the previous census, when comparing the schools that were in the Trust in both of these years. In addition, further students joined the Trust when Bovington Academy joined on the 1st July 2019 and currently Budmouth Academy on the 1st September 2019.

Staffing costs are another key performance indicator for the Academy Trust and the percentage of staff costs (excluding LGPS FRS102 pension cost adjustments) to total costs (excluding depreciation and LGPS FRS102 pension and interest cost adjustments) was 77% (2018: 78%), while the percentage of staff costs (excluding LGPS FRS102 pension cost adjustments) to total educational grant income (being recurring grant income from the DfE/ESFA and Local Authorities) was 82% (2018: 79%).

Review of Activities

The achievements and performance of the Trust and its academies during the year are presented as follows.

By the end of August 2019 all Aspirations Academies, inspected as Aspirations Academies, were graded as good or better in their most recent Ofsted inspection. The examination results were also a general improvement compared to 2018 as revealed in the following report.

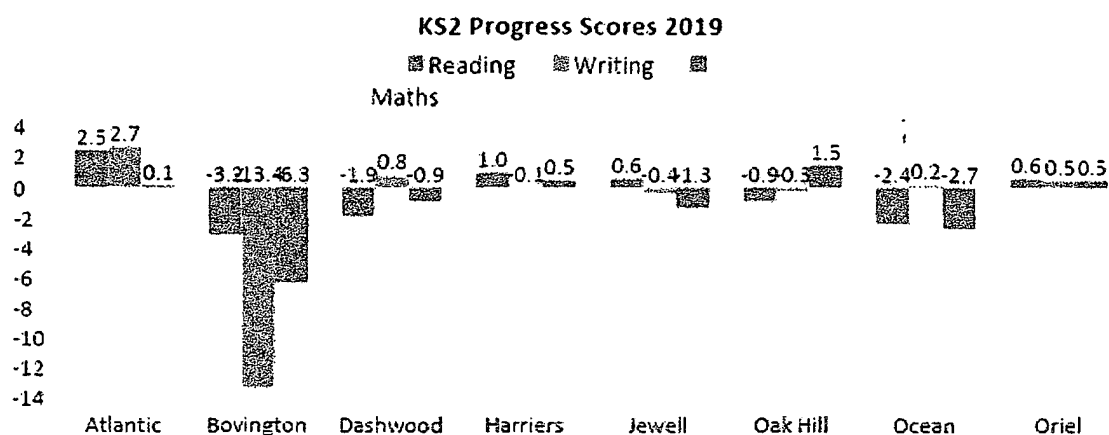
Notes:

- All data is provisional and subject to finalization for publication in respective DfE School Performance Tables 2019.
- KS2 Trust Summary data does NOT include Bovington Primary as the school joined the Trust in July 2019.
- KS2 School Data Source: DfE KS2 Checking Exercise September 2019 – Summary & Pupil Level. Bovington Primary: Dorset County Council Data Pack 2019.
- KS4 and KS5 Data Source: Trust Summer Examinations Returns August 2019 - Not Pupil Level.
- National Data Source: KS2 National Statistics 2019 (provisional), KS4 National Statistics 2018 (final), KS5 National Statistics 2018 (revised), DfE Primary Accountability in 2019
- Space Studio Banbury is now called Futures Institute Banbury.

ASPIRATIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Key Stage 2
Progress 2019 (Provisional)



KS2 Progress Scores 2019 - Number of schools equal to or above zero incl. range of Trust values

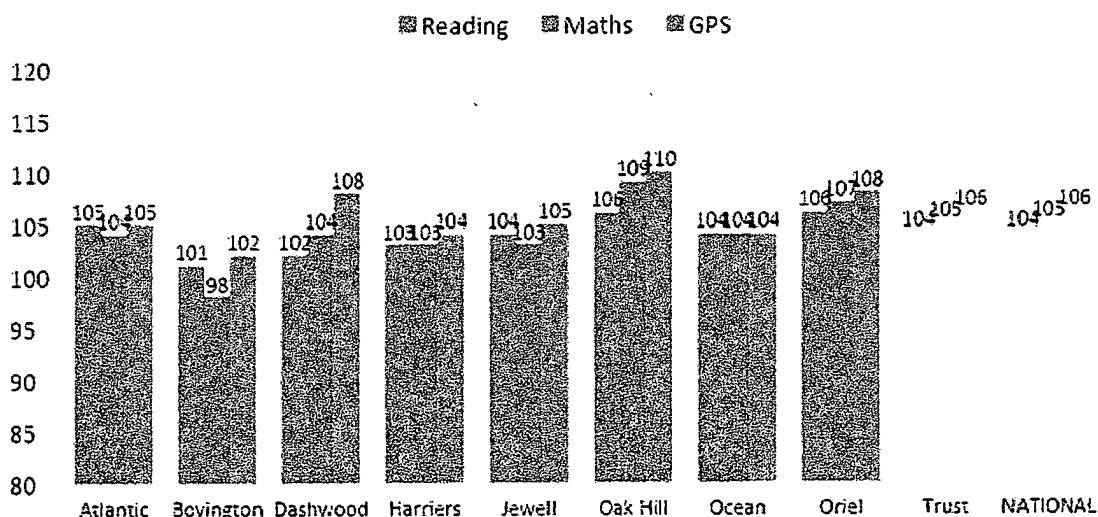
Reading: 4 out of 8 Range of Trust values 2.5 to -3.2
 Writing: 4 out of 8 Range of Trust values 2.7 to -13.4
 Maths: 4 out of 8 Range of Trust values 1.5 to -6.3

Key Stage 2			
Progress Scores tabled alongside percentiles of National Distribution 2019			
	Reading	Writing	Maths
Top 5%	4.1 and above	3.3 and above	3.9 and above
Next 20%	1.7 to 4.0	1.5 to 3.2	1.6 to 3.8
	Atlantic (2.5)	Atlantic (2.7)	
Next 15%	0.7 to 1.6	0.7 to 1.4	0.6 to 1.5
	Harriers (1.0)	Dashwood (0.8)	Oak Hill (1.5)
-Middle 20%-	-0.4 to 0.6	-0.3 to 0.6	-0.5 to 0.5
	Jewell (0.6)	Harriers (-0.1)	Atlantic (0.1)
	Oriel (0.6)	Oak Hill (-0.3)	Harriers (0.5)
		Ocean (0.2)	Oriel (0.5)
		Oriel (0.5)	
Next 15%	-1.4 to -0.5	-1.1 to -0.4	-1.5 to -0.6
	Oak Hill (-0.9)	Jewell (-0.4)	Dashwood (-0.9)
			Jewell (-1.3)
Next 20%	-3.6 to -1.5	-3.4 to -1.2	-3.9 to -1.6
	Dashwood (-1.9)		Ocean (-2.7)
	Ocean (-2.4)		
	Bovington (-3.2)		
Bottom 5%	-3.7 and below	-3.5 and below	-4.0 and below
		Bovington (-13.4)	Bovington (-6.3)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Key Stage 2
Attainment 2019 (Provisional)

Key Stage 2 Scaled Scores 2019



KS2 Scaled Scores 2019 - Number of schools (out of 8) equal to or above national

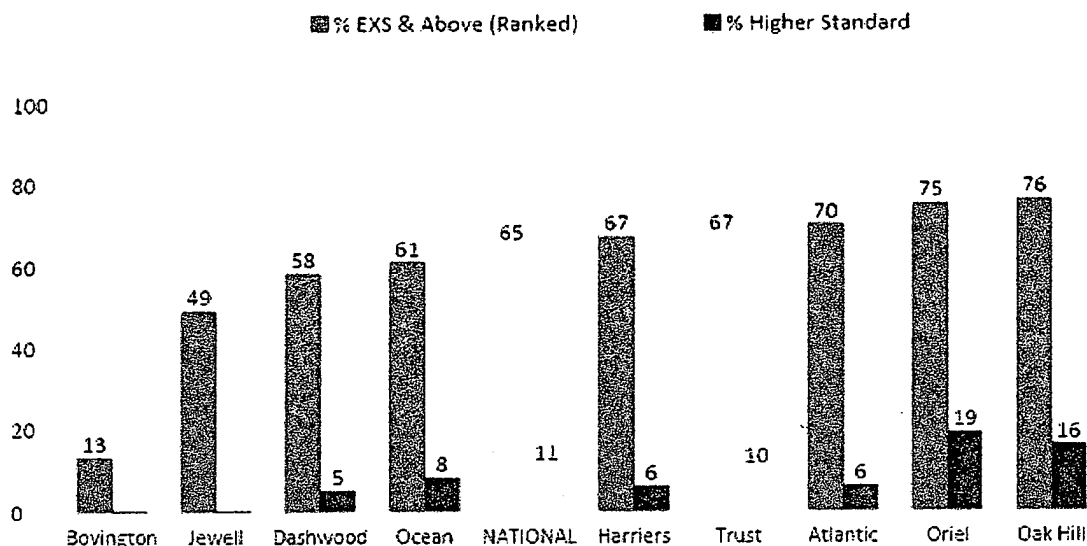
Reading: 5 out of 8 (National 104)

Maths: 2 out of 8 (National 105)

GPS: 3 out of 8 (National 106)



KS2 RWM (Combined) 2019



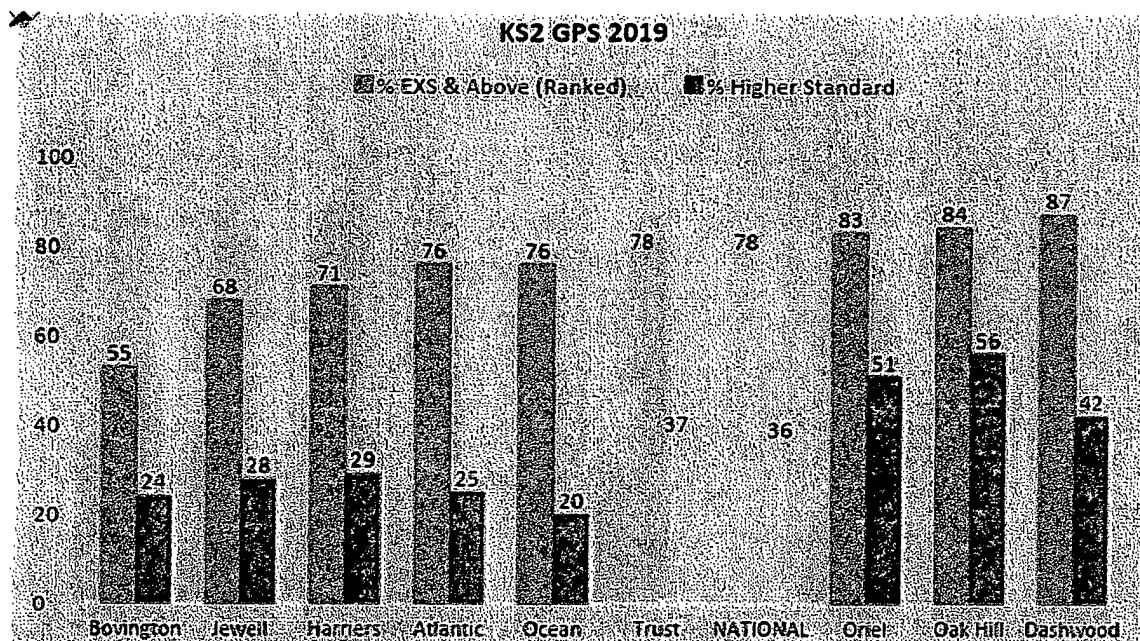
KS2 RWM (Combined) 2019 - Number of schools (out of 8) equal to or above national

% EXS & Above: 4 out of 8 (National 65%)

% Higher Standard: 2 out of 8 (National 11%)

ASPIRATIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

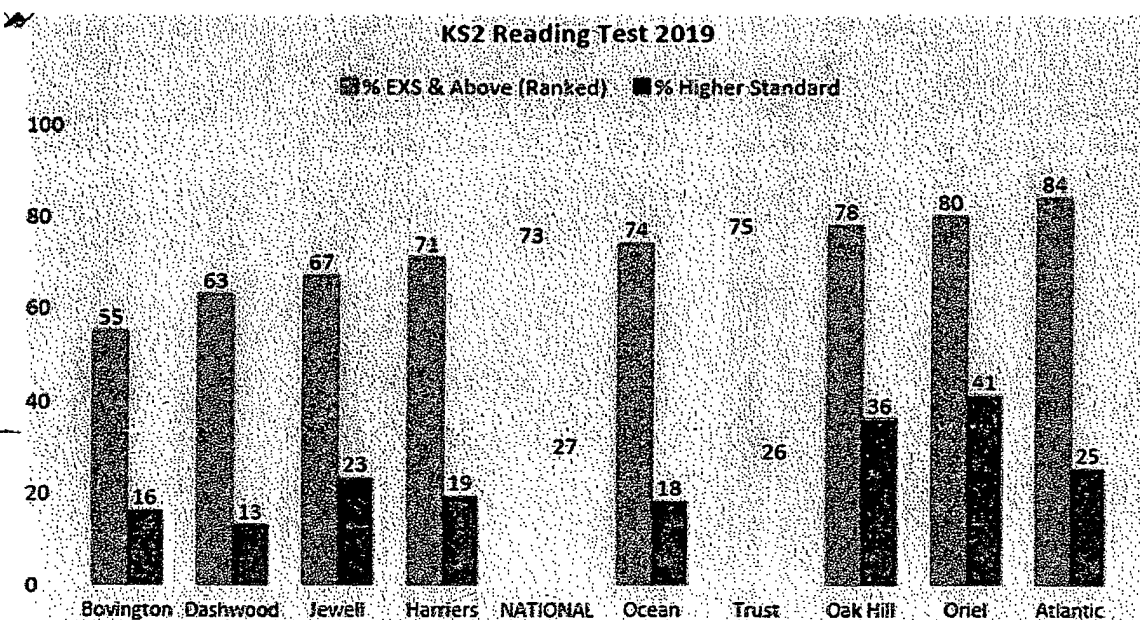
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019



KS2 GPS 2019 - Number of schools (out of 8) equal to or above national

% EXS & Above: 3 out of 8 (National 78%)

% Higher Standard: 3 out of 8 (National 36%)



KS2 Reading Test 2019 - Number of schools (out of 8) equal to or above national

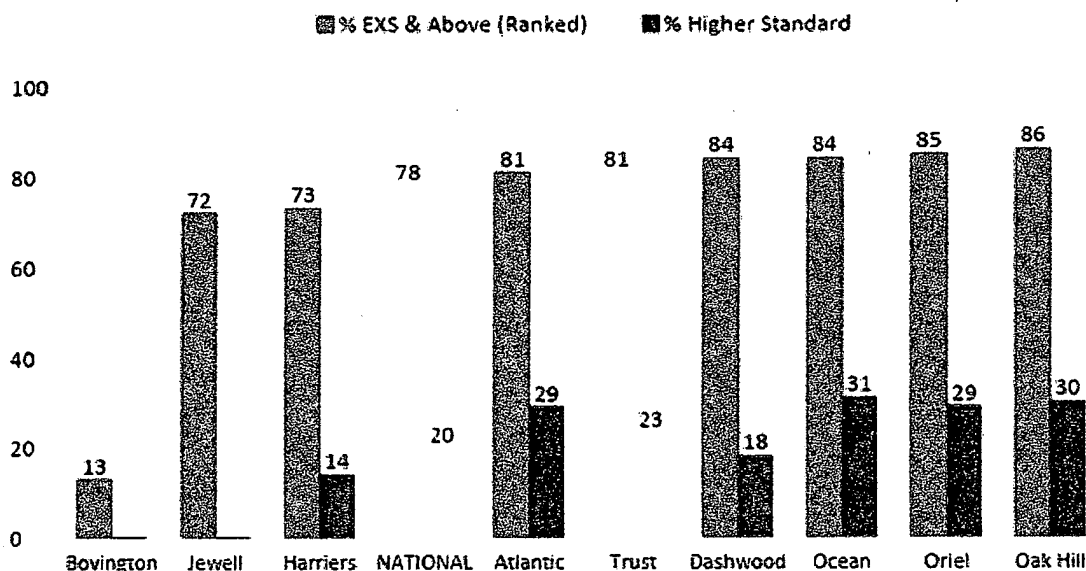
% EXS & Above: 4 out of 8 (National 73%)

% Higher Standard: 2 out of 8 (National 27%)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019



KS2 Writing TA 2019



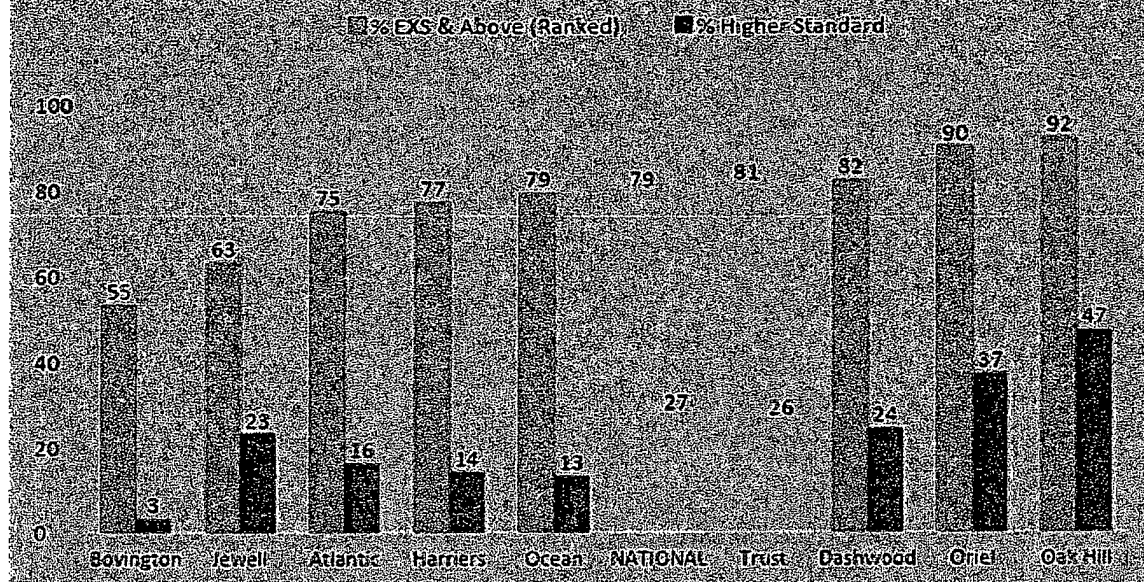
KS2 Writing TA 2019 - Number of schools (out of 8) equal to or above national

% EXS & Above: 5 out of 8 (National 78%)

% Greater Depth: 4 out of 8 (National 20%)



KS2 Maths Test 2019



KS2 Maths Test 2019 - Number of schools (out of 8) equal to or above national

% EXS & Above: 4 out of 8 (National 79%)

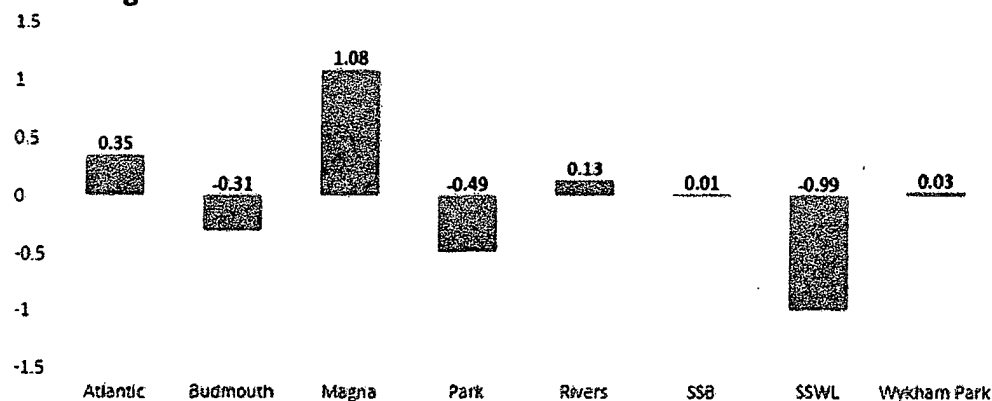
% Higher Standard: 2 out of 8 (National 27%)

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

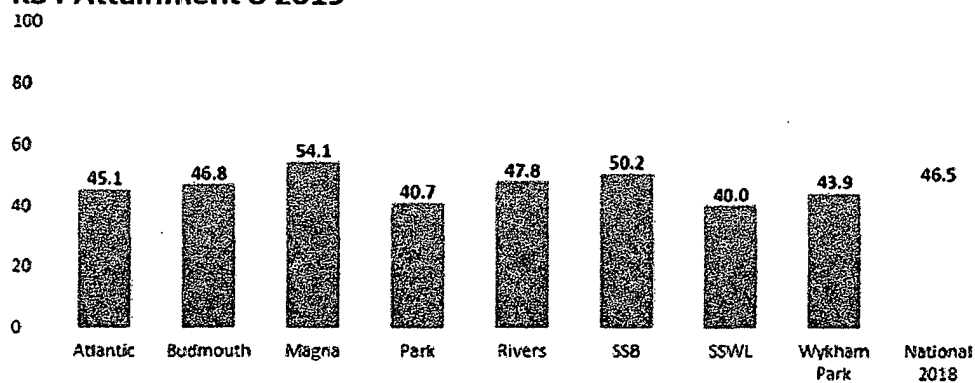
**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Key Stage 4 (Provisional)

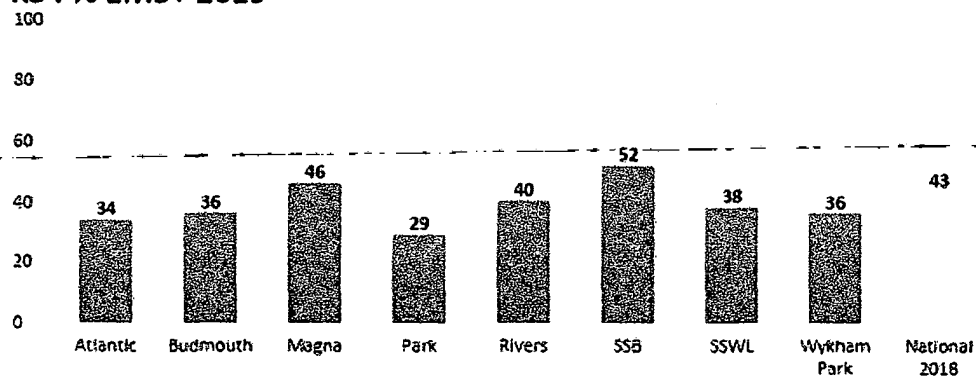
KS4 Progress 8 2019



KS4 Attainment 8 2019

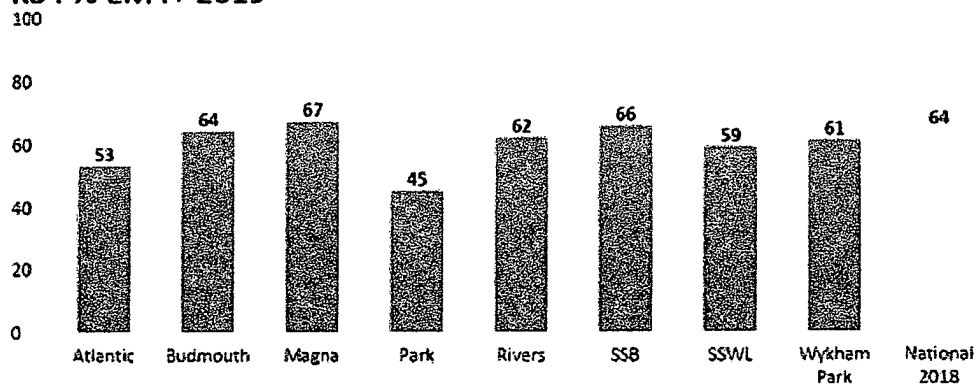


KS4 % EM5+ 2019

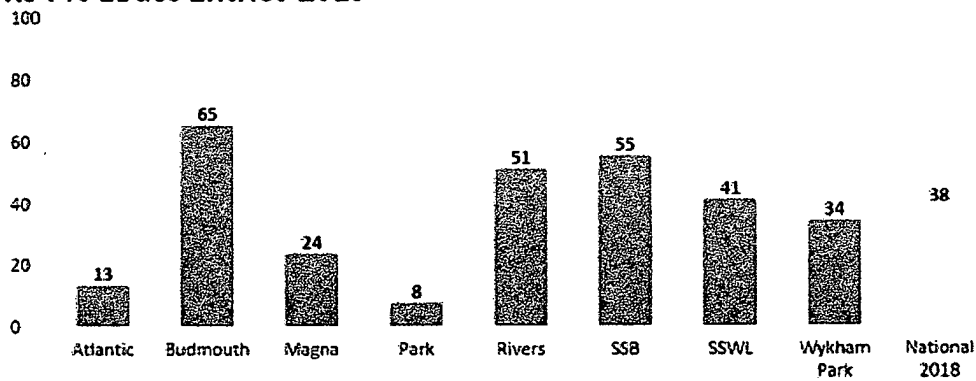


TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

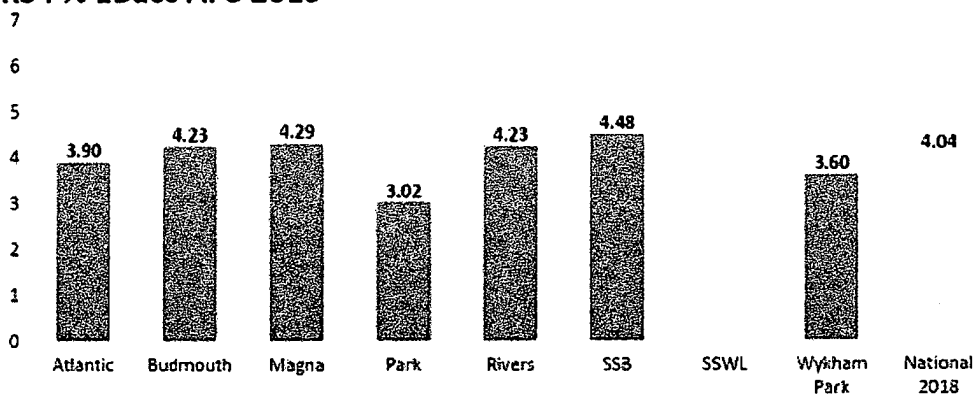
KS4 % EM4+ 2019



KS4 % EBacc Entries 2019



KS4 % EBacc APS 2019

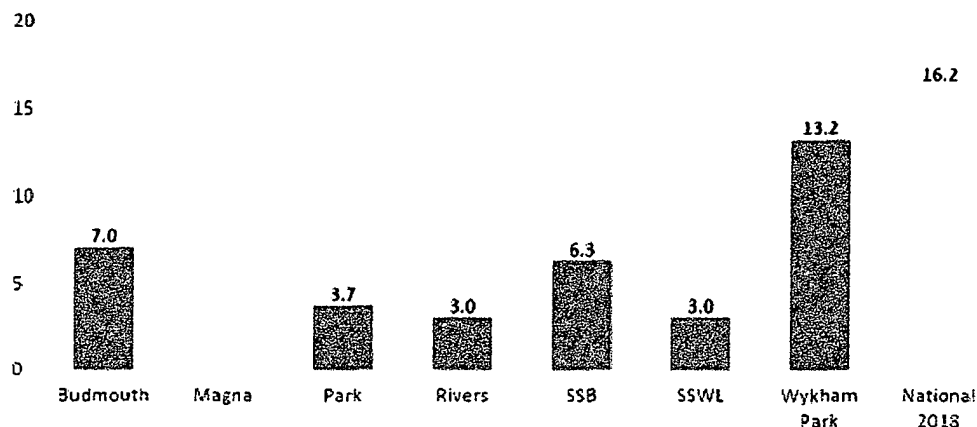


**ASPIRATIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Key Stage 5 (Provisional)

KSS % AAB or higher in at least two facilitating subjects 2019 - Year 13



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 Going concern policy.

There are no real financial uncertainties as the Trust now has stringent reporting and monitoring procedures in place.

Also, with greater centralisation of support and new operating systems in place the Trust expects further savings to be made in the future, allowing a greater amount of spending on teaching and learning. The Board of Trustees is keen to ensure that the Trust reserves are such to maintain financial stability, although the Board would prefer to maximise spending of the annual income directly on supporting teaching and learning.

FINANCIAL REVIEW

Financial Review

The majority of the Academy Trust's income is received from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities. The Academy Trust also receives grants for fixed assets from the ESFA and other organisations and funders and these are shown as Restricted Fixed Asset Funds in the Statement of Financial Activities. The balance of the Restricted Fixed Asset fund is reduced by the depreciation charges on the assets acquired using these funds.

During the year ended 31 August 2019, the Trust received total income, including capital grants and net assets transferred from academies joining the Trust, of £45,452,067 (2018: £89,472,305), while expenditure for the year, including depreciation and LGPS FRS102 pension cost and interest cost adjustments, totaled £47,650,325 (2018: £45,825,847). Excluding the impact of capital grants, net assets transferred from academies joining the Trust, depreciation and LGPS FRS102 pension cost and interest cost adjustments, the total operating income for the year was £41,386,003 (2018: £41,280,102) and the total operating expenditure for the year was £41,787,116 (2018: £40,314,947), thereby giving a net operating deficit for the year of £401,113 (2018: £965,155).

Fixed assets, other assets and liabilities and LGPS deficits were transferred to the Academy Trust from those academies joining the Trust during the year. The total value of these net assets transferred, as included in the Statement of Financial Activities, were £2,478,000. The details of the net assets transferred are set out in Note 27 to the financial statements.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

The net book value of fixed assets at 31 August 2019 is £112,871,109 (2018: £122,739,032), which includes the value of fixed assets transferred from academies joining the Trust in the year of £3,000,000 and depreciation charges for the year of £3,758,209 (2018: £3,604,902). The fixed assets held by the Academy Trust are used exclusively for providing education and associated support services to the pupils of the Trust

The balance of total funds held at 31 August 2019 were £90,967,923 which comprised of the following:

Restricted Funds (excluding Pension Liability):	£142,634
Restricted Pension Liability Fund:	(£23,849,000)
Restricted Fixed Asset Fund:	£112,934,142
Unrestricted Funds:	£1,740,147

Included within the Academy Trust's balance sheet at year end is a defined benefit pension scheme liability of £23,849,000 (2018: £17,070,000), which arises from the deficit in the Local Government Pension Scheme (LGPS) that is attributable to the individual academies within the Trust. Further details regarding the deficit in the LGPS at 31 August 2018 are set out in note 28 to the financial statements.

Reserves Policy

The Trustees review the reserve levels of the Academy Trust termly. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free cash reserves should be approximately 5% of total operating income, which equates to approximately £2,000,000. The actual level of free cash reserves is £2,882,781 excluding a loan of £1,000,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, long term staff absences etc. The Academy Trust's current level of reserves at 31 August 2019 is £90,967,923 of which £2,057,051 is free reserves (that is, total funds less the amount held in total restricted funds).

The value of the restricted fixed asset fund at 31 August 2019 is £112,934,142, which is represented by the fixed assets that are used exclusively for providing education and associated support services to the pupils of the Trust. These funds can only be realised by disposing of the associated tangible fixed assets.

The pension reserve fund has a deficit balance at 31 August 2019 of £23,849,000, which represents the deficit in the LGPS at the balance sheet date. The effect of the LGPS deficit is that Academy Trust is required to make additional pension contributions over a number of years in order to fund the deficit. These additional pension contributions will be funded from the Trust's annual recurring income, which may significantly impact its ability to continue to deliver its educational outcomes with the available public funding it receives. The Trustees have noted however that the Government has provided a guarantee that in the event of an Academy closure, any outstanding LGPS liabilities would be met by the Department for Education.

Investment 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 the 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.

All funds surplus to immediate requirements are invested to optimal effect by the Academy Trust with the objective of ensuring maximum return on assets invested but with minimal risk. On a daily basis this is achieved by automatic transfer of surplus funds to an overnight deposit account with the Academy Trust's principal bankers.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Principal Risks And Uncertainties

The Trustees have assessed the major risks to which the Academy Trust is exposed, especially in the operational areas, such as in relation to teaching, health & safety, safeguarding and school trips, and in relation to the control of finances. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains, the Trustees have ensured the Academy Trust has adequate insurance cover in place. The Risk Management Plan is constantly reviewed in light of any new information and formally reviewed annually.

The principal risks and uncertainties facing the Academy Trust are as follows:

Financial

The Academy Trust has considerable reliance on continued Government funding through the ESFA. In the period, approximately 92% (2018: 88%) of the Academy Trust's incoming revenue resources (excluding amounts transferred on from academies joining the Trust in the year) was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Continuing increases in employment costs, including pension costs associated with both the Teachers' Pension Scheme and the Local Government Pension Scheme(s), and premises costs will also continue to place significant pressure on the Trust's funding level per academy.

The Trustees examine the financial health of the Academy Trust formally each term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees and Risk Remuneration and Finance Committee meetings.

At the balance sheet date, the Academy Trust had no significant liabilities arising from trade creditors or trade debtors where there would be a significant effect on the Academy Trust's liquidity. The Academy Trust does have a long term debt owed to the ESFA of £1,000,000 which relates to the revenue deficit inherited from Atlantic Academy upon joining the Trust on 1 September 2017. This deficit is ring-fenced to Atlantic Academy Portland and as such it does not impact on the financial viability of the Trust. The Trust is not required to make any repayments to the ESFA of this debt before 1 September 2020 and as such this is treated as a long term debt in the financial statements.

The Trustees recognise that the Local Government Pension Scheme deficit represents a significant potential liability to the Academy Trust. However, as the Trustees consider the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Failures in governance and/ or management

The risk in this area arises from the potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks.

Reputational

The continuing success of the Academy Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed.

Safeguarding and child protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing

The success of the Academy Trust is reliant on the quality of its staff so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Fraud and mismanagement of funds

All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

The Academy Trust has utilised an external party to carry out a detailed financial controls review at each of the Trust's academies during the year, with the aim of ensuring individual academies are adhering to the Trust-wide financial policies and procedures and that risks from fraud and mismanagement of funds are appropriately mitigated.

The Academy Trust has also engaged Tridan Business Concept, the internal auditor, during the year to perform a programme of work aimed at reviewing certain aspects of the Trust's financial systems and controls as required by the Academies Financial Handbook, including the Trust's compliance with the requirements of the Academies Financial Handbook.

FUNDRAISING

The Trustees are satisfied that the Academy Trust has complied with the requirements of the Charities (Protection and Social Investment) Act 2016 in relation to its fundraising activities during the year.

The Trust has not used any professional fundraisers or commercial participators to carry out any fundraising activities during the year. The nature of the fundraising activities undertaken by the Trust and the individual academies within the Trust during the year are entirely voluntary, and predominantly relate to voluntary contributions from parents which are used for the purposes of educational provision of pupils at the individual academies.

The Senior Management Team monitor the Trust's fundraising activities throughout the year and report to the Board of Trustees. The Board of Trustees are satisfied that no vulnerable individuals were approached as part of the fundraising activities during the year and that there were no unreasonable intrusions on individuals' privacy or unreasonable persistent approaches to individuals for the purposes of soliciting or procuring money or other property on behalf of the Academy Trust during the year.

PLANS FOR FUTURE PERIODS

The Academy Trust strives to continually improve levels of attainment for all pupils, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education or employment, as well as promoting the continued professional development of its staff.

The Academy Trust's plans for future periods are:

- Budmouth College joins the Trust in September 2019. This school is 11-18 with 1,700 pupils.
- To open Livingstone Academy West London and Livingstone Academy Bournemouth. These are brand new schools which ultimately will be for up to 1,500 students aged 3-18 at Bournemouth and 1,200 students age 11-18 in West London. They are a partnership with Ian Livingstone CBE and will offer an innovative curriculum designed to give students the skills to succeed in the modern digital world.
- To continue to grow the Trust slowly and only add free schools, converter academies or existing academies in areas around our existing districts to aid effective management by the Trust, maximise economies of scale and to provide career paths for our staff within the Trust.
- To continue to improve our academies and to ensure that every Aspirations Academy continues to be judged at least Good by OFSTED's next inspection.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy Trust and its Trustees do not act as Custodian Trustees of any other charity.

The Academy Trust does however hold Post 16 Bursary Funds on behalf of the ESFA, which are distributed to students as required and in line with the terms and conditions of the funds.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

The Academy Trust's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests. Information about matters of concern to employees is given through information bulletins, reports and meetings which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Academy Trust's performance.

During employment the Trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advanced employment opportunities are available to them to reach their full potential.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Academy Trust continues and that the appropriate training is arranged. It is the Academy Trust's policy that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

DISCLOSURE OF INFORMATION TO AUDITORS

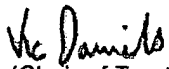
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

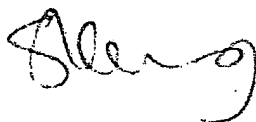
- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

AUDITORS

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on and signed on its behalf by:

V Daniels

(Chair of Trustees)

S Kenning

(Accounting Officer)

ASPIRATIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT

Scope of responsibility

Trustees acknowledge we have overall responsibility for ensuring that 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 Managing Director, 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 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 3 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
S Kenning, Managing Director and Accounting Officer	3	3
C Bault	2	3
L Landle (resigned on 3 October 2018)	0	0
R Bosch Sancho	3	3
V Daniels, Chair of Trustees	3	3
I Livingstone	1	3
R Prime	0	3
P Kenning	3	3
T Baig	2	3
M Brocklehurst	3	3

There was no change in the composition of the Board of Trustees in 2018-19.

In 2018-19 the key work of the Trust Board was to support the central team in continually improving our academies, to work towards the achievement of the five-year plan and to professionalise governance.

A skills audit of the Trustees was undertaken during the year, reported on at the RRF Committee meeting in June 2019. This identified that all key competency requirements were adequately covered.

The quality of the data used by the Board in 2018-19 was considered to be very fit for purpose.

The Board met three times in 18/19. It has maintained effective oversight of funds by delegating certain areas to a sub-committee and engaging with the Trust executive between meetings. The Trust Board has agreed to increase the number of meetings for 19/20 to four. The Board is also supported by the Risk, Remuneration and Finance Committee, which is described below. The Committee, which also has delegated powers, met four times in 18/19. There were also meetings of Executive Operation Board. This committee is made up of all the senior management team of the Trust including the Managing director, Deputy Managing director, Regional CEOs, Director of Finance, Director of HR and Director of Estates. It meets six times a year.

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

GOVERNANCE STATEMENT (CONTINUED)

Governance (CONTINUED)

The Risk, Remuneration and Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

Accountability

1. Reviewing the Aspirations management accounts and statutory financial statements and reports to ensure that they are accurate and any issues arising are recognised, discussed and escalated to the Board as appropriate.
2. Discussing with the external auditor the nature and scope of each forthcoming audit and to ensure that the external auditor has the fullest co-operation of staff and focused on key areas of risk.
3. Considering all relevant reports by the appointed external auditor, including reports on the Aspirations accounts, achievement of value for money and the response to any management letters.
4. Overseeing the appointment/ re-appointment of the external auditor, in line with Aspirations procurement rules.
5. Reviewing the effectiveness of the Aspirations internal control system established to ensure that the aims, objectives and key performance targets of the Trust are achieved in the most economic and effective manner, and that sufficient assurance is provided to allow the Board to sign off on the accounts disclosures on financial governance.
6. Reviewing Aspirations procedures for detecting fraud and whistle blowing and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or any other matters.
7. Reviewing the internal audit/Responsible Officer (RO) function and ensure that it provides sufficient levels of assurance over internal controls across the network.
8. Considering internal audit/RO reports, including value-for-money reports and the arrangements for the implementation of any recommendations.
9. Reviewing the operation of the Aspirations code of practice for Directors and staff in relation to financial matters.
10. Considering the Aspirations approach to risk management and advise the Trust Board on key risks to Aspirations.
11. Reviewing due diligence reports provided by the Executive and ensure that sufficient assurance is provided to allow the Trust Board to sign off on new academy projects.
12. Undertaking any task as asked to do so by the Board of Trustees.

Compliance

13. Reviewing Aspirations compliance with statutory and regulator financial reporting requirements, including deadlines.

Evaluation

14. Reporting at least once a year to the Board on the discharge of the above duties.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
C Bault	4	4
R Bosch Sancho	4	4
V Daniels	4	4
P Kenning	4	4
S Kenning	4	4

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

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As Accounting Officer, the Managing Director 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 the academic year, and reports to the Board of Trustees where value for money can be improved, including the use on benchmarking data where available. The Accounting Officer for the Academy Trust has delivered and improved value for money during the period as follows:

The Trust has been successful in securing a DfE grant to support the development of the Trust. This is enabling the Trust schools to work collaboratively to further improve the quality of teaching and learning across the schools, particularly in the south coast region.

Joint Trust staff training for all staff has enabled the Trust to provide a higher quality of training as costs and facilities are shared across four of our schools.

The Managing Director has worked with the Principals and Finance Director to compare and evaluate the Academy budgets, review spending and improve value for money across different budget areas. This has included one Academy, which is experiencing a fall in pupil admissions numbers, subsequently taking action to restructure support staffing. This has resulted in cost savings of £245k.

The size and growing reputation of the Trust has enabled it to negotiate improved service standards and/or costs from a number of providers. This includes for example better discounts from education resources catalogue supplier and catering/ cleaning providers etc. A comprehensive list of service level agreements in the Trust schools was compiled which identified some unnecessary on-going purchases which when eliminated led to significant further cost savings across the Trust.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks 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 from 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period from 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- Regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- Setting targets to measure financial and other performance
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Tridan Business Concept as internal auditor. The reviewer'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:

Review of the Payroll operations and controls to ensure current processes are accurate and in line with Trust's policies;

- Review of the Purchase system of the Trust including VAT arrangement to ensure they are in line with Trust's policies;
- Review of the use of charge / procurement cards for purchasing and associated authorisation;
- Review of the use of fuel card; recording and reviews where applicable;
- Review of the arrangements surrounding checks on direct debit transactions, cash collections and trips;
- Ascertain the pros and cons of the introduction of the new system including the barriers, if any, to Trust's operations

The reviewer/reviewer reports to the Board of Trustees through the Risk, Remuneration and Finance Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities. A representative from the auditor attends all Board and the Risk, Remuneration and Finance Committee meetings.

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

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As Accounting Officer, the Managing Director 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 reviewer;
- The work of the external auditors;
- The financial management and governance self-assessment process;
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

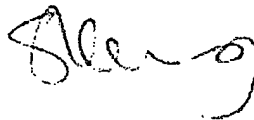
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Risk, Remuneration and Finance committee and a plan to improve the controls and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees and signed on their behalf by:

V Daniels



Chair of Trustees
Date: 19/12/19



S Kenning

Accounting Officer

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

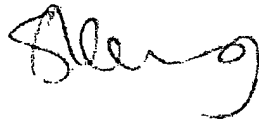
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Aspirations Academies Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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

S Kenning



Accounting Officer
Date: 19/12/19

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees (who 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 Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- 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.

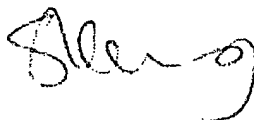
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements 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 ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable 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 19/12/19 and signed on its behalf by:

V Daniels
(Chair of Trustees)



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

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

Opinion

We have audited the financial statements of Aspirations Academies Trust (the 'Academy Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ASPIRATIONS ACADEMIES TRUST (CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- 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.

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ASPIRATIONS ACADEMIES TRUST (CONTINUED)**

Responsibilities of Trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Pamela Tuckett FCA DChA (Senior Statutory Auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: 23/12/19

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

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

In accordance with the terms of our engagement letter dated 30 July 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Aspirations Academies Trust during the year 1 September 2018 to 31 August 2019 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 Aspirations Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Aspirations Academies Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Aspirations Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Aspirations Academies Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Aspirations Academies Trust's funding agreement with the Secretary of State for Education dated 1 July 2013 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
ASPIRATIONS ACADEMIES TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Bishop Fleming LLP

Pamela Tuckett FCA DChA (Reporting Accountant)

Bishop Fleming LLP

Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: 23/12/19

ASPIRATIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:						
Donations and capital grants:	3					
Net assets transferred from academies joining the Trust		-	(522,000)	3,000,000	2,478,000	44,609,021
Other donations and capital grants		48,473	-	1,588,064	1,636,537	3,671,871
Charitable activities	4	1,138,560	39,359,567	-	40,498,127	39,684,037
Teaching schools		-	47,500	-	47,500	56,000
Other trading activities	6	789,030	-	-	789,030	1,448,226
Investments	7	2,873	-	-	2,873	3,150
TOTAL INCOME		1,978,936	38,885,067	4,588,064	45,452,067	89,472,305
EXPENDITURE ON:						
Raising funds		460,620	12	-	460,632	1,145,468
Charitable activities	9	1,415,518	41,968,466	3,758,209	47,142,193	44,624,379
Teaching schools		-	47,500	-	47,500	56,000
TOTAL EXPENDITURE	8	1,876,138	42,015,978	3,758,209	47,650,325	45,825,847
Net assets transferred out of the Trust		-	-	(10,907,094)	(10,907,094)	-
NET INCOME/ (EXPENDITURE)		102,798	(3,130,911)	(10,077,239)	(13,105,352)	43,646,458

ASPIRATIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

		Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
NET INCOME/(EXPENDITURE) BROUGHT FORWARD		102,798	(3,130,911)	(10,077,239)	(13,105,352)	43,646,458
Transfers between funds	22	-	(272,349)	272,349	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		102,798	(3,403,260)	(9,804,890)	(13,105,352)	43,646,458
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial losses on defined benefit pension schemes	28	-	(4,152,000)	-	(4,152,000)	4,014,000
NET MOVEMENT IN FUNDS		102,798	(7,555,260)	(9,804,890)	(17,257,352)	47,660,458
RECONCILIATION OF FUNDS:						
Total funds brought forward		1,637,349	(16,151,106)	122,739,032	108,225,275	60,564,817
Net movement in funds		102,798	(7,555,260)	(9,804,890)	(17,257,352)	47,660,458
TOTAL FUNDS CARRIED FORWARD		1,740,147	(23,706,366)	112,934,142	90,967,923	108,225,275

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 35 to 64 form part of these financial statements.

ASPIRATIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07867577

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	16	112,871,109	122,739,032
		<u>112,871,109</u>	<u>122,739,032</u>
CURRENT ASSETS			
Stocks	17	3,230	-
Debtors	18	1,884,560	2,895,552
Cash at bank and in hand	26	3,802,004	5,043,631
		<u>5,689,794</u>	<u>7,939,183</u>
Creditors: amounts falling due within one year	19	(2,743,980)	(4,382,940)
NET CURRENT ASSETS		<u>2,945,814</u>	<u>3,556,243</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>115,816,923</u>	<u>126,295,275</u>
Creditors: amounts falling due after more than one year	20	(1,000,000)	(1,000,000)
NET ASSETS EXCLUDING PENSION LIABILITY		<u>114,816,923</u>	<u>125,295,275</u>
Defined benefit pension scheme liability	28	(23,849,000)	(17,070,000)
TOTAL NET ASSETS		<u><u>90,967,923</u></u>	<u><u>108,225,275</u></u>

ASPIRATIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07867577

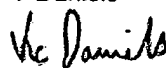
BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

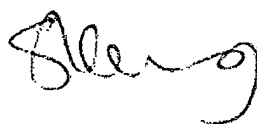
	Note	2019	2019 £	2018	2018 £
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
Fixed asset funds	22	112,934,142		122,739,032	
Restricted income funds	22	142,634		918,894	
Restricted funds excluding pension liability	22	113,076,776		123,657,926	
Pension reserve	22	(23,849,000)		(17,070,000)	
Total restricted funds	22		89,227,776		106,587,926
Unrestricted income funds	22		1,740,147		1,637,349
TOTAL FUNDS			90,967,923		108,225,275

The financial statements on pages 30 to 64 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:

19/12/19

V Daniels


 (Chair of Trustees)



The notes on pages 35 to 64 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash (used in)/provided by operating activities	24	(1,035,184)	616,173
CASH FLOWS FROM INVESTING ACTIVITIES	25	(206,443)	(779,532)
		<u> </u>	<u> </u>
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(1,241,627)	(163,359)
Cash and cash equivalents at the beginning of the year		5,043,631	5,206,990
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	26	<u><u>3,802,004</u></u>	<u><u>5,043,631</u></u>

The notes on pages 35 to 64 form part of these financial statements

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Aspirations Academies Trust meets the definition of a public benefit entity under FRS 102.

1.2 GOING CONCERN

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

1.3 INCOME

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

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

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

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

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME (CONTINUED)

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

Legacies

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Academy Trust has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Academy Trust, can be reliably measured.

1.4 EXPENDITURE

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

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

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

All resources expended are inclusive of irrecoverable VAT.

- **Expenditure on raising funds**

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

- **Charitable activities**

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

1.5 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.6 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.

1.7 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. 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 and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Freehold property	- 2% straight line (excluding land)
Leasehold property	- 2% straight line on buildings leasehold land over the term of the lease
Furniture and equipment	- 10% straight line
Computer equipment	- 25% straight line
Motor vehicles	- 20% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.8 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on the cost of purchases on a first in first out basis.

1. ACCOUNTING POLICIES (continued)

1.9 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.10 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.11 LIABILITIES

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

1.12 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 19 and 20. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 OPERATING LEASES

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.14 PENSIONS

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

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

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

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

1.15 AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in note 34.

1.16 FUND ACCOUNTING

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

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

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

ASPIRATIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The land and buildings transferred on conversion to an academy are valued at their fair value. This is estimated at the date of transfer.

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
DONATIONS					
Net assets transferred from academies joining the Trust	-	(522,000)	3,000,000	2,478,000	44,609,021
Donations	48,473	-	-	48,473	88,690
Capital Grants	-	-	1,588,064	1,588,064	3,583,181
	<u>48,473</u>	<u>(522,000)</u>	<u>4,588,064</u>	<u>4,114,537</u>	<u>48,280,892</u>
TOTAL 2018	<u>130,115</u>	<u>(8,192,806)</u>	<u>56,343,583</u>	<u>48,280,892</u>	

ASPIRATIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Education	703,812	39,359,567	40,063,379	39,684,037
Nursery	434,748	-	434,748	-
TOTAL 2019	1,138,560	39,359,567	40,498,127	39,684,037
TOTAL 2018	-	39,684,037	39,684,037	

5. FUNDING FOR THE ACADEMY TRUST'S EDUCATION

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant	-	35,070,389	35,070,389	35,350,883
Start up Grants	-	220,000	220,000	454,400
Pupil Premium	-	2,156,448	2,156,448	2,348,245
Other DfE/ESFA grants	-	685,890	685,890	663,541
	-	38,132,727	38,132,727	38,817,069
Other government grants				
Other government grants	-	1,226,840	1,226,840	866,968
	-	1,226,840	1,226,840	866,968
Other funding				
Internal catering income	295,296	-	295,296	-
Other	408,516	-	408,516	-
	703,812	39,359,567	40,063,379	39,684,037
TOTAL 2018	-	39,684,037	39,684,037	

ASPIRATIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Hire of facilities	406,402	406,402	357,822
Academy trips	-	-	384,963
Consultancy income	-	-	5,778
Catering income	-	-	203,251
Uniform, exam fees & stationery sales	34,912	34,912	74,329
Other income	331,515	331,515	422,083
Solar panels	16,201	16,201	-
TOTAL 2019	789,030	789,030	1,448,226

All prior year amounts relate to unrestricted funds.

7. INVESTMENT INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	2,873	2,873	3,150

All prior year amounts relate to unrestricted funds.

ASPIRATIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. EXPENDITURE

	Staff Costs	Premises	Other	Total	Total
	2019	2019	2019	2019	2018
	£	£	£	£	£
Expenditure on fundraising trading activities:					
Direct costs	-	-	460,632	460,632	1,145,468
Allocated support costs	-	-	-	-	664,246
Education:					
Direct costs	28,447,927	1,372,133	5,563,594	35,383,654	29,100,938
Allocated support costs	5,472,578	6,395,634	(426,577)	11,441,635	15,523,441
Nursery:					
Direct costs	-	-	316,904	316,904	-
Teaching school	-	-	47,500	47,500	56,000
	<u>33,920,505</u>	<u>7,767,767</u>	<u>5,962,053</u>	<u>47,650,325</u>	<u>46,490,093</u>

9. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2019	2019	2019	2018
	£	£	£	£
Education	1,098,614	45,726,675	46,825,289	44,624,379
Nursery	316,904	-	316,904	-
	<u>1,415,518</u>	<u>45,726,675</u>	<u>47,142,193</u>	<u>44,624,379</u>

ASPIRATIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	35,383,654	11,441,635	46,825,289	44,624,379
Nursery	316,904	-	316,904	-
	<u>35,700,558</u>	<u>11,441,635</u>	<u>47,142,193</u>	<u>44,624,379</u>
TOTAL 2018	<u>29,462,402</u>	<u>15,161,977</u>	<u>44,624,379</u>	

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Pension cost	209,000	493,000
Staff costs	5,472,578	6,278,110
Depreciation	622,963	3,604,901
Recruitment and support	375,473	525,328
Maintenance of premises and equipment	610,715	167,272
Cleaning	853,385	853,833
Rent and rates	473,006	482,623
Energy costs	744,521	670,800
Catering	1,011,929	875,210
Technology costs	575,267	603,862
Legal and professional	194,741	297,010
Governance costs	65,264	32,442
Other costs	232,793	277,586
	<u>11,441,635</u>	<u>15,161,977</u>

ASPIRATIONS ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	305,485	295,819
Depreciation of tangible fixed assets	3,758,209	3,604,901
Fees paid to auditors for:		
- audit	29,500	28,750
- other services	2,300	12,700
	<u>3,789,994</u>	<u>3,646,370</u>

12. STAFF COSTS

a. STAFF COSTS

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	25,329,313	24,021,922
Social security costs	2,261,662	2,208,284
Pension costs	5,598,927	5,198,365
	<u>33,189,902</u>	<u>31,428,571</u>
Agency staff costs	527,716	1,163,118
Staff restructuring costs	202,887	258,318
	<u>33,920,505</u>	<u>32,850,007</u>

Staff restructuring costs comprise:

	2019 £	2018 £
Redundancy payments	93,097	99,168
Severance payments	54,640	159,150
Other restructuring costs	55,150	-
	<u>202,887</u>	<u>258,318</u>

b. NON-STATUTORY/NON-CONTRACTUAL STAFF SEVERANCE PAYMENTS

Included in staff restructuring costs are non-statutory/non-contractual severance payments in the year totalling £54,640 (2018: £159,150). Individually the payments were £34,435, £12,000, £3,250, £3,000 and £1,955.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

12. STAFF COSTS (CONTINUED)

c. STAFF NUMBERS

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

	2019 No.	2018 No.
Teachers	401	403
Admin and support	475	446
Management	26	25
	<u>902</u>	<u>874</u>

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	400	401
Admin and support	304	286
Management	25	25
	<u>729</u>	<u>712</u>

d. HIGHER PAID STAFF

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	18	12
In the band £70,001 - £80,000	6	2
In the band £80,001 - £90,000	3	5
In the band £90,001 - £100,000	4	2
In the band £100,001 - £110,000	3	3
In the band £110,001 - £120,000	1	2
In the band £120,001 - £130,000	1	-
In the band £130,001 - £140,000	-	1
In the band £170,001 - £180,000	-	1
In the band £180,001 - £190,000	1	-
In the band £200,001 - £210,000	-	1
In the band £210,001 - £220,000	1	-
	<u>1</u>	<u>-</u>

ASPIRATIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

13. CENTRAL SERVICES

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

- Staff training and development services
- Financial services
- HR services
- Management services

The Academy 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 year were as follows:

	2019 £	2018 £
Wykham Park Academy Banbury	152,892	150,001
Dashwood Academy Banbury	52,872	53,244
Harriers Academy Banbury	62,628	62,588
Rivers Academy West London	235,008	231,476
Oriel Academy West London	72,372	71,591
Oak Hill Academy West London	76,236	74,735
Magna Academy Poole	167,004	167,129
Jewell Academy Bournemouth	73,152	63,347
Space Studio Banbury	21,252	22,494
Space Studio West London	50,234	48,674
Ocean Academy Poole	51,972	40,006
Tech City College	14,184	16,952
Atlantic Academy Portland	157,572	190,630
Park Academy West London	200,904	210,582
Bovington Academy	8,362	-
TOTAL	1,396,644	1,403,449

14. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: S Kenning: Remuneration £215,000 - £220,000 (2018: £210,000 - £215,000), Employer's pension contributions £Nil - £5,000 (2018: £Nil - £5,000), P Kenning: Remuneration £180,000 - £185,000 (2018: £170,000 - £175,000), Employer's pension contributions £25,000 - £30,000 (2018: £25,000 - £30,000).

Other related party transactions involving the Trustees are set out in note 31.

During the year ended 31 August 2019, expenses totalling £1,139 were reimbursed or paid directly to 2 Trustees (2018: £1,888 to 3 Trustees).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

15. TRUSTEES' AND OFFICERS' INSURANCE

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

ASPIRATIONS ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
COST OR VALUATION							
At 1 September 2018	54,947,268	70,329,316	229,723	5,636,296	4,908,283	64,819	136,115,705
Additions	66,496	195,490	1,352,518	39,653	143,223	-	1,797,380
Transfer in on conversion	-	3,000,000	-	-	-	-	3,000,000
Disposals	(11,469,395)	-	-	(151,512)	(131,622)	-	(11,752,529)
At 31 August 2019	43,544,369	73,524,806	1,582,241	5,524,437	4,919,884	64,819	129,160,556
DEPRECIATION							
At 1 September 2018	2,913,269	4,570,425	-	2,068,591	3,771,004	53,384	13,376,673
Charge for the year	1,038,634	1,405,041	-	650,444	658,032	6,058	3,758,209
On disposals	(667,929)	-	-	(60,077)	(117,429)	-	(845,435)
At 31 August 2019	3,283,974	5,975,466	-	2,658,958	4,311,607	59,442	16,289,447
NET BOOK VALUE							
At 31 August 2019	40,260,395	67,549,340	1,582,241	2,865,479	608,277	5,377	112,871,109
At 31 August 2018	52,033,999	65,758,891	229,723	3,567,705	1,137,279	11,435	122,739,032

**ASPIRATIONS ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

17. STOCKS

	2019 £	2018 £
Finished goods and goods for resale	3,230	-

18. DEBTORS

	2019 £	2018 £
Trade debtors	127,215	88,792
VAT recoverable	480,424	922,372
Other debtors	1,779	46,396
Prepayments and accrued income	1,275,142	1,837,992
	<u>1,884,560</u>	<u>2,895,552</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	592,705	1,948,975
Other taxation and social security	642,645	360,973
Other creditors	553,606	639,237
Accruals and deferred income	955,024	1,433,755
	<u>2,743,980</u>	<u>4,382,940</u>

	2019 £	2018 £
Deferred income at 1 September 2018	577,389	253,171
Resources deferred during the year	414,775	577,389
Amounts released from previous periods	(577,389)	(253,171)
	<u>414,775</u>	<u>577,389</u>

Deferred income held as at 31 August 2019 comprise the following: £158,817 (2018: £174,366) to provide Universal Infant Free School Meals in the 2019/20 year, £82,787 (2018: £140,594) for rates reimbursement funding for the 2019/20 year, and £173,171 (2018: £262,429) of other items of income and grant funding that relates to the 2019/20 year.

ASPIRATIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £	2018 £
ESFA loan	<u>1,000,000</u>	<u>1,000,000</u>

The ESFA loan relates to the revenue deficit inherited from Atlantic Academy upon it joining the Trust on 1 September 2017. The Trust is not required to make any repayments to the ESFA of this debt before 1 September 2020 and as such this is treated as a long term debt in the financial statements.

21. FINANCIAL INSTRUMENTS

	2019 £	2018 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	3,802,004	5,043,631
Financial assets that are debt instruments measured at amortised cost	693,996	1,167,383
	<u>4,496,000</u>	<u>6,211,014</u>
	2019 £	2018 £
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	<u>(2,686,559)</u>	<u>(4,444,578)</u>

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and ESFA loans.

ASPIRATIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

22. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General Funds	1,637,349	1,978,936	(1,876,138)	-	-	1,740,147
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	1,446,384	35,503,902	(36,009,651)	(272,349)	-	668,286
Start Up Grants	472,510	220,000	(218,162)	-	-	474,348
Other ESFA	-	2,871,268	(2,871,268)	-	-	-
Other government grants	(1,000,000)	811,897	(811,897)	-	-	(1,000,000)
Pension reserve	(17,070,000)	(522,000)	(2,105,000)	-	(4,152,000)	(23,849,000)
	<u>(16,151,106)</u>	<u>38,885,067</u>	<u>(42,015,978)</u>	<u>(272,349)</u>	<u>(4,152,000)</u>	<u>(23,706,366)</u>
RESTRICTED FIXED ASSET FUNDS						
DfE Capital Grants	-	1,588,064	-	(1,525,031)	-	63,033
Fixed assets	122,739,032	3,000,000	(3,758,209)	1,797,380	(10,907,094)	112,871,109
	<u>122,739,032</u>	<u>4,588,064</u>	<u>(3,758,209)</u>	<u>272,349</u>	<u>(10,907,094)</u>	<u>112,934,142</u>
TOTAL RESTRICTED FUNDS	<u>106,587,926</u>	<u>43,473,131</u>	<u>(45,774,187)</u>	<u>-</u>	<u>(15,059,094)</u>	<u>89,227,776</u>
TOTAL FUNDS	<u>108,225,275</u>	<u>45,452,067</u>	<u>(47,650,325)</u>	<u>-</u>	<u>(15,059,094)</u>	<u>90,967,923</u>

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

General Annual Grant

Income from the ESFA which is to be used for the normal running costs of the Trust, including education and support costs.

Other ESFA Grants

Income which has been received for specific purposes.

Start Up Grants

Income which has been used to cover expenditure incurred in the incorporation of new academies into the Trust.

ASPIRATIONS ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

22. STATEMENT OF FUNDS (CONTINUED)

Other government grants

Income which has been received for specific purposes.

DfE Capital Grants

This represents funding from the DfE/ESFA which has been received for the maintenance and purchases of the schools assets

Transferred on conversion

This represents the buildings and equipment donated to the Trust from the Local Authority on conversion to an Academy Trust.

Pension reserve

This represents the Trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to a Multi Academy Trust.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Banbury Academy	(1,072,225)	(907,450)
Dashwood Banbury Academy	271,490	228,765
Harriers Banbury Academy	196,060	141,773
Space Studio Banbury	49,732	98,567
Rivers Academy West London	1,390,049	1,197,379
Oriel Academy West London	164,732	74,142
Oak Hill Academy West London	224,591	209,643
Magna Academy Poole	(139,500)	(7,678)
Jewell Academy Bournemouth	682,709	524,749
Ocean Academy Poole	135,910	34,062
Tech City College	-	167,661
Central office	166,974	713,133
Space Studio West London	(39,148)	19,680
Park Academy West London	520,858	452,987
Atlantic Academy	(660,285)	(391,170)
Bovington Academy	(9,166)	-
Total before fixed asset funds and pension reserve	1,882,781	2,556,243
Restricted fixed asset fund	112,934,142	122,739,032
Pension reserve	(23,849,000)	(17,070,000)
TOTAL	90,967,923	108,225,275

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

22. STATEMENT OF FUNDS (CONTINUED)

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit £
Banbury Academy	(1,072,225)
Magna Academy Poole	(139,500)
Space Studio West London	(39,148)
Bovington Academy	(9,166)
Atlantic Academy	(660,285)

The Academy Trust has provided the following explanations to why the academies are in deficit:

Banbury Academy reduced its deficit this year, there is still a cumulative deficit due to the legacy of falling student roll. The Trust will expect the academy to gradually reduce its deficit. In 2020/21 it will be the first year since the academy joined the Trust that the academy has been able to set a balanced budget. We have twice restructured the staff and we have centralised a lot of costs. The plan is that over the next ten years the cumulative deficit will be reduced to zero.

Magna Academy Poole's deficit was expected as a result of lagged funding. The Trust will be moving to GAG pooling as part of next year's financial strategy and expects this to help with the deficit. The academy is now full in all year groups with the exception of post 16 which will enable a balanced budget to be set.

Space Studio West London's in year deficit is due to variable student roll and pupil number adjustments the academy. The Trust expects the academy to reduce the deficit gradually. Students join the academy in Years 10 and 12, those joining in Year 10 are variable in numbers. Costs are reduced by sharing staff and resources with Rivers Academy West London

Bovington Academy made a small in year deficit this year. This deficit will be cleared as the academy grows.

Atlantic Academy reduced its deficit this year, but due to the legacy of falling student roll this is still a cumulative deficit. The Trust will expect the academy to gradually reduce this. We have restructured the staffing and we are actively promoting the school to improve numbers.

The Academy Trust is taking the following action to return the academies to surplus:

Banbury Academy increased its deficit this year due to a falling student roll in previous years and the lagged funding effect of this. Pupil numbers are rising again and the Trust expects the academy to gradually reduce its cumulative deficit once the lagged funding effect unwinds.

ASPIRATIONS ACADEMIES TRUST
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22. STATEMENT OF FUNDS (CONTINUED)

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Banbury Academy	3,013,079	386,431	138,992	966,866	4,505,368	4,631,068
Dashwood Banbury Academy	1,241,960	137,518	35,450	335,541	1,750,469	1,656,754
Harriers Banbury Academy	1,285,144	173,018	46,242	334,026	1,838,430	1,782,965
Space Studio Banbury	371,778	48,212	19,593	153,076	592,659	540,396
Rivers Academy West London	4,339,214	443,900	324,237	925,035	6,032,386	5,885,861
Oriel Academy West London	1,426,593	247,377	46,107	382,479	2,102,556	2,101,424
Oak Hill Academy West London	1,533,541	247,490	77,543	409,792	2,268,366	2,281,744
Magna Academy Poole	3,092,423	407,077	204,223	850,175	4,553,898	4,426,483
Jewell Academy Bournemouth	1,526,116	99,056	82,975	331,246	2,039,393	1,846,137
Ocean Academy Poole	1,051,981	94,794	37,128	252,927	1,436,830	1,095,154
Tech City College	439,657	162,162	18,241	357,020	977,080	1,091,609
Central office	757,160	751,831	75,146	744,243	2,328,380	2,017,931
Space Studio West London	972,387	104,414	125,388	205,601	1,407,790	1,353,739
Park Academy West London	3,387,523	529,034	381,566	1,004,864	5,302,987	5,413,919
Atlantic Academy	2,794,085	791,182	132,667	740,936	4,458,870	4,763,343
Bovington Academy	190,875	30,606	1,639	12,738	235,858	-
ACADEMY TRUST	27,423,516	4,654,102	1,747,137	8,006,565	41,831,320	40,888,527

ASPIRATIONS ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

22. STATEMENT OF FUNDS (CONTINUED)

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS						
General funds	1,422,224	1,581,491	(1,145,470)	(220,896)	-	1,637,349
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	435,562	35,350,883	(34,340,061)	-	-	1,446,384
Start up grants	681,831	454,400	(663,721)	-	-	472,510
Other ESFA	145,188	3,934,754	(4,079,942)	-	-	-
Other government grants	18,559	(932,806)	(85,753)	-	-	(1,000,000)
Pension reserve	(11,918,000)	(7,260,000)	(1,906,000)	-	4,014,000	(17,070,000)
	<u>(10,636,860)</u>	<u>31,547,231</u>	<u>(41,075,477)</u>	<u>-</u>	<u>4,014,000</u>	<u>(16,151,106)</u>
RESTRICTED FIXED ASSET FUNDS						
DfE Capital Grants	691,159	3,583,182	-	(4,274,341)	-	-
Fixed assets	69,088,296	52,760,402	(3,604,903)	4,495,237	-	122,739,032
	<u>69,779,455</u>	<u>56,343,584</u>	<u>(3,604,903)</u>	<u>220,896</u>	<u>-</u>	<u>122,739,032</u>
TOTAL RESTRICTED FUNDS	<u>59,142,595</u>	<u>87,890,815</u>	<u>(44,680,380)</u>	<u>220,896</u>	<u>4,014,000</u>	<u>106,587,926</u>
TOTAL FUNDS	<u><u>60,564,819</u></u>	<u><u>89,472,306</u></u>	<u><u>(45,825,850)</u></u>	<u><u>-</u></u>	<u><u>4,014,000</u></u>	<u><u>108,225,275</u></u>

ASPIRATIONS ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	112,871,109	112,871,109
Current assets	3,390,399	2,169,601	129,794	5,689,794
Creditors due within one year	(1,650,252)	(1,026,967)	(66,761)	(2,743,980)
Creditors due in more than one year	-	(1,000,000)	-	(1,000,000)
Provisions for liabilities and charges	-	(23,849,000)	-	(23,849,000)
TOTAL	1,740,147	(23,706,366)	112,934,142	90,967,923

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	122,739,032	122,739,032
Current assets	1,637,349	6,301,834	-	7,939,183
Creditors due within one year	-	(4,382,940)	-	(4,382,940)
Creditors due in more than one year	-	(1,000,000)	-	(1,000,000)
Provisions for liabilities and charges	-	(17,070,000)	-	(17,070,000)
TOTAL	1,637,349	(16,151,106)	122,739,032	108,225,275

ASPIRATIONS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

24. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(13,105,352)	43,646,458
ADJUSTMENTS FOR:		
Depreciation	3,758,209	3,604,902
Capital grants from DfE and other capital income	(1,588,064)	(3,583,182)
Interest receivable	(2,873)	(3,150)
Past service cost	475,000	-
Defined benefit pension scheme cost less contributions payable	1,165,000	1,413,000
Defined benefit pension scheme finance cost	465,000	493,000
(Increase)/decrease in stocks	(3,230)	-
Decrease/(increase) in debtors	1,010,992	(1,414,728)
(Decrease)/increase in creditors	(1,638,960)	1,068,645
Net assets transferred from academies joining the Trust	(2,478,000)	(44,479,400)
Cash transferred from academies joining the Trust	-	(129,622)
Loss on the sale of fixed assets	-	250
Net assets transferred out of the Trust	10,907,094	-
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	(1,035,184)	616,173

25. CASH FLOWS FROM INVESTING ACTIVITIES

	2019 £	2018 £
Dividends, interest and rents from investments	2,873	3,150
Purchase of tangible fixed assets	(1,797,380)	(4,495,486)
Capital grants from DfE Group	1,588,064	3,583,182
Cash transferred from academies joining the Trust	-	129,622
NET CASH USED IN INVESTING ACTIVITIES	(206,443)	(779,532)

26. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash at bank and in hand	3,802,004	5,043,631
TOTAL CASH AND CASH EQUIVALENTS	3,802,004	5,043,631

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27. CONVERSION TO AN ACADEMY TRUST

On 1 July 2019 Bovington School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Aspirations Academies Trust from Dorset County for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

	Restricted funds £	Restricted fixed asset funds £	Total funds £
TANGIBLE FIXED ASSETS			
Leasehold land and buildings	-	3,000,000	3,000,000
NON-CURRENT LIABILITIES			
Pension liability inherited	(522,000)	-	(522,000)
NET (LIABILITIES)/ASSETS	<u>(522,000)</u>	<u>3,000,000</u>	<u>2,478,000</u>

28. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Borough of Hounslow, the London Borough of Islington, Oxfordshire County Council and Dorset County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £520,106 were payable to the schemes at 31 August 2019 (2018: £275,550) and are included within creditors.

TEACHERS' PENSION SCHEME

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

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

**NOTES TO THE FINANCIAL STATEMENTS
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28. PENSION COMMITMENTS (CONTINUED)

VALUATION OF THE TEACHERS' PENSION SCHEME

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 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 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £2,646,248 (2018: £2,512,546).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

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 year ended 31 August 2019 was £1,759,000 (2018: £1,523,000), of which employer's contributions totalled £1,321,000 (2018: £1,139,000) and employees' contributions totalled £438,000 (2018: £384,000). The agreed contribution rates for future years are 15.4 per cent for employers and 5.5 to 12.5 per cent for employees.

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

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28. PENSION COMMITMENTS (CONTINUED)

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.51	3.35
Rate of increase for pensions in payment/inflation	2.24	2.57
Discount rate for scheme liabilities	1.84	2.75

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	22.0	22.7
Females	24.3	25.5
<i>Retiring in 20 years</i>		
Males	23.5	24.8
Females	25.9	27.7

The Academy Trust's share of the assets in the scheme was:

	At 31 August 2019 £	At 31 August 2018 £
Equities	12,145,000	10,322,000
Corporate bonds	3,688,000	2,526,000
Property	1,716,000	1,585,000
Cash and other liquid assets	754,000	791,000
Other	2,462,000	2,484,000
TOTAL MARKET VALUE OF ASSETS	20,765,000	17,708,000

The actual return on scheme assets was £1,413,000 (2018: £673,000).

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28. PENSION COMMITMENTS (CONTINUED)

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

	2019 £	2018 £
Current service cost	(2,486,000)	(2,546,000)
Past service cost	(475,000)	-
Interest income	491,000	424,000
Interest cost	(956,000)	(917,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(3,426,000)	(3,039,000)

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

	2019 £	2018 £
AT 1 SEPTEMBER	34,778,000	19,947,000
Transferred in on existing academies joining the Trust	862,000	15,155,000
Current service cost	2,486,000	2,546,000
Interest cost	956,000	917,000
Employee contributions	438,000	384,000
Actuarial losses/(gains)	4,985,000	(3,765,000)
Benefits paid	(365,000)	(406,000)
Past service costs	475,000	-
AT 31 AUGUST	44,615,000	34,778,000

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2019 £	2018 £
AT 1 SEPTEMBER	17,708,000	8,029,000
Transferred in on existing academies joining the trust	340,000	7,895,000
Interest income	501,000	424,000
Actuarial gains	833,000	249,000
Employer contributions	1,321,000	1,139,000
Employee contributions	438,000	384,000
Benefits paid	(365,000)	(406,000)
Administration expenses	(10,000)	(6,000)
AT 31 AUGUST	20,766,000	17,708,000

**ASPIRATIONS ACADEMIES TRUST
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29. OPERATING LEASE COMMITMENTS

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	209,754	285,999
Later than 1 year and not later than 5 years	385,234	529,740
Later than 5 years	249,719	314,572
	<u>844,707</u>	<u>1,130,311</u>

30. 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.

31. GENERAL INFORMATION

Aspirations Academies Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Rivers Academy, Tachbrook Road, Feltham, Middlesex, TW14 9PE.

32. 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 a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. No such transactions took place except for the Trustees Remuneration disclosed in note 14.

33. POST BALANCE SHEET EVENTS

Budmouth Academy Weymouth, previously known as Budmouth College, joined the Academy Trust on 1 September 2019.

34. AGENCY ARRANGEMENTS

The Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2019 the Trust received £60,796 and disbursed £59,212 from the fund. An amount of £63,895 is included in other creditors relating to undistributed funds that is repayable to ESFA.

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35. TRANSFER OUT ON ACADEMIES LEAVING THE ACADEMY TRUST

Tech City College

	Transfer out on academy leaving the trust £
TANGIBLE FIXED ASSETS	
Long-term leasehold property	10,794,979
Assets under construction	6,488
Furniture and equipment	91,436
Computer equipment	14,194
NET ASSETS	<u>10,907,097</u>

At the year end Tech City College fixed assets were passed back to the Local Authority and the college closed. Aspirations Academy Trust retained all current assets and liabilities.

36. TEACHING SCHOOL TRADING ACCOUNT

	2019 £	2019 £	2018 £	2018 £
Income				
DIRECT INCOME				
Teaching school income	47,500		56,000	
TOTAL INCOME		47,500		56,000
Expenditure				
DIRECT EXPENDITURE				
Direct grant expenditure	47,500		56,000	
TOTAL EXPENDITURE		47,500		56,000