

THE ASPIRE EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2018



Haines Watts

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

THE ASPIRE EDUCATIONAL TRUST

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THE ASPIRE EDUCATIONAL TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mr K Newton
Mr K Simpson (Accounting officer)
Mrs K Egde
Miss K L Harrop
Mrs S Bowen (Chair of trustees)
Mrs M R Coppenhall
Mr C Dean
Mr S Naylor
Dr D Charnley (Appointed 1 September 2017)
Mr T Hailwood (Appointed 1 September 2017)
Mrs P Hewer (Appointed 1 September 2017 and resigned 8 May 2018)
Mrs H Marsh (Appointed 1 September 2017)
Mr P Stoddard (Appointed 1 September 2017)
Mrs A Harris (Appointed 22 March 2018)

Members

Mrs D Morrison
Mr B R Hardern (Resigned 19 July 2018)
Mr J R Ashmore
Mrs S Bowen
Mr G van Enk-Bones

Senior management team

- Executive Principal
- Director of Education
- Director of Maths & ITE
- Director of Teaching School
- Director of Literacy and Research & Development
- Chief Finance Officer
- Business Operations Manager
- HR Manager
- Principal of Ash Grove Academy
- Deputy Head of Ash Grove Academy
- Deputy Head of Ash Grove Academy
- Head of Peover Superior Endowed Primary School
- Vice Principal of Peover Superior Endowed Primary School
- Head of Sandbach Primary Academy
- Vice principal of Sandbach Primary Academy
- Principal of The Wilmslow Academy
- Vice Principal of The Wilmslow Academy
- Principal of Underwood West Academy
- Deputy Principal of Underwood West Academy
- Assistant Principal of Underwood West Academy
- Principal of Victoria Road Primary School
- Vice Principal of Victoria Road Primary School
- Assistant Principal of Victoria Road Primary School
- Principal of Puss Bank School and Nursery
- Vice Principal of Puss Bank School and Nursery
- Principal of Wilbraham Primary School
- Vice Principal of Wilbraham Primary School

Mr K Simpson
Mrs J Ashcroft
Mr M Avis
Mrs C Clowes
Mrs M Dixon
Mrs H Mason
Mrs K Stanier
Mrs N Zissler (Appointed 8 January 2018)
Mrs L Finnegan
Mrs S Veale
Mrs J Ceuppens
Mrs L Hesmondhalgh
Mrs A Ellis-Stanton

Mrs L Treadway (Resigned 31 August 2018)
Mrs C Younghusband
Mrs J Hughes (Resigned 31 August 2018)
Mrs J White
Mrs J Tomlinson
Miss R Ollier
Mrs L Jones
Mrs C Lord
Mrs S Ikin
Miss K Tillotson
Mrs K Nichols
Mrs R Hammond
Mr S Wheeldon
Mr A Marchant

THE ASPIRE EDUCATIONAL TRUST

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)

Company registration number 08689696 (England and Wales)

Registered office Ash Grove Academy
Belgrave Road
Macclesfield
SK11 7TF

Academies operated

The Wilmslow Academy
Underwood West Academy
Victoria Road Primary School
Ash Grove Academy
Peover Superior Endowed Primary School
Sandbach Primary Academy
Puss Bank School
Wilbraham Primary School

Location

Cheshire East
Cheshire East
Cheshire West
Cheshire East
Cheshire East
Cheshire East
Cheshire East
Cheshire East
Greater Manchester

Independent auditor

Haines Watts
Bridge House
Ashley Road
Hale
Altrincham
WA14 2UT

Bankers

Lloyds Bank
223 Finney Lane
Heald Green
Cheshire
SK8 3PY

THE ASPIRE EDUCATIONAL TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

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

The Trust operates 8 academies for pupils aged 2 to 11 serving catchment areas in Cheshire East, Cheshire West and Manchester. The school census' at October 2018 detailed the following pupil numbers:

- Ash Grove has a pupil capacity of 204 and has a roll of 213 (including nursery)
- Peover has a capacity of 77 and has a roll of 82
- Sandbach Primary Academy has a capacity of 105 and has a roll of 96 (including nursery)
- The Wilmslow Academy has a capacity of 420 and has a roll of 326
- Victoria Road has a capacity of 203 and a roll of 192
- Underwood West Academy has a capacity of 442 and a roll of 432
- Puss Bank Primary School has a capacity of 420 and a roll of 424 (including nursery)
- Wilbraham Primary has a capacity of 720 and a roll of 680 (including nursery)

Structure, governance and management

Constitution

The 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 trust.

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

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

Members' liability

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

Trustees' indemnities

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

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

Method of recruitment and appointment or election of trustees

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

THE ASPIRE EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Policies and procedures adopted for the induction and training of trustees

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

Organisational structure

The management structure consists of:

- A board of members;
- A board of trustees;
- A board of trustees with the oversight for standards;
- A board of trustee Resources Committee; and
- The schools' Local Academy Committee;

The governance of the trust is at two levels; the board of trustees (and its committees) and the individual Local Academy Committee. The board of trustees is responsible for the strategic decision making of the trust and the board of members is responsible for ensuring that high quality standards of corporate governance are maintained.

The main responsibilities of the trustees are:

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

The day to day running of the schools is delegated to the senior leadership teams of the academies. These comprise of the principals and their respective teams. The SLT implement the policies laid down by the trustees and report back to them.

The SLT of the trust comprises of the CEO, CFO, deputy CEO, director of education, director of teaching school, director of research school, director of ITE, principals, director of maths and english, the MAT business manager and the HR manager.

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

Arrangements for setting pay and remuneration of key management personnel

Key management personnel's performance management reviews are held on an annual basis. The pay ranges for the principal, deputy principal and assistant principal will be determined in accordance with the criteria specified in the 2017 STPCD and ensuring fair pay relativities. The CEO will be remunerated on a scale decided upon by the AET Board. The remainder of the key management personnel are remunerated on a scale decided upon by the AET Board. The CEO will make annual recommendations to the pay and remuneration committee on their salary progression as determined by the Trust Performance Management and Appraisal Policy. When the pay and remuneration committee has considered the recommendations for the CEO and any comment from the individual employee, its decision will be provided in writing, made by the third month of the new academic year at the latest.

Pupil admissions

The Aspire Educational Trust is the Admissions Authority for all its academies and determines the admission arrangements and criteria in agreement with our local authorities. The admission arrangements are published on the trust's and academies websites and notified to the Local Authorities.

Applications are made between September and January of the previous year to which a pupil commences school entry. Applications are made to the trust's local authorities. Applications are ranked in accordance with the trust's admission criteria and notifying the Local Authority Admissions Team of the ranked applications.

THE ASPIRE EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Disabled persons

The trust aims to recruit employees and retain talent, skills and experience and ensure disabled staff, as far as reasonably practicable, can fulfil their employment potential. The Trust aims to provide equity in access to the full range of recruitment, career development, promotion, training and other employment opportunities for all staff. To ensure that there is no unfair discrimination on grounds of disability and that access to employment and promotion is based on merit. The trust observes good equalities practice for employees regardless of their race, gender, disability, religion/belief, sexual orientation or age.

Employee consultation

The trust respects employee consultation and acknowledges that this is a two way process between the trust and all employees of the trust. The trust offers transparency and openness including listening to employees concerns and seeks to share views and information on a timely basis with all employees on all matters relating to the trust.

Trade union facility time

The trust currently purchases the trade union facility time service from the local authority through a pooled facility time arrangement which is undertaken by the local association division branch officers.

Related parties and other connected charities and organisations

The CEO of The Aspire Educational Trust is a National Leader of Education and Head of a Teaching School Alliance and National Research School. As part of this role he takes a lead in organising Pupil Premium reviews. The members, directors, trustees, senior staff and their families are regarded as related parties in accordance with the definitions in the Charities SORP.

Objectives and activities

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

Objectives, strategies and activities:

A passion for ALL of our pupils to be confident, happy learners that go onto live successful, healthy lives in their community. We will have a commitment to:

- Adhere to the trust policy of: "All pupils/students and adults are expected to behave in a responsible manner, both to themselves and others, showing consideration, courtesy and respect at all times."
- Deliver an evidenced based bespoke local curriculum, which meets the needs of all learners.
- Listen to pupil voice, empowering and involving young people in the development and delivery of their own education in order to be the best, not just nationally but internationally.
- Secure the achievement, personal development and well-being of children, young people and adults.
- Promote and support parents' and carers' engagement in the children's learning.
- Understand and work with our local community.
- Build professional networks, within our group and beyond, providing school to school support, opportunities for pupils, and sharing professional development.

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

- To grow the trust from eight schools to eleven in 2018 – 2019.
- To ensure that excellent leadership is in place in each of the schools.
- To develop a strategic vision for the trust.
- To ensure the trust governance structure supports the strategic vision.

Strategies and activities for achieving the objectives

The strategies for achieving the above objectives include:

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

THE ASPIRE EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The quality of teaching and learning:

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

Links with partners

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

Communication and decision making

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

Public benefit

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

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

Strategic report

Achievement and performance

Summary

EYFS								
	Ash Grove	Peover	Puss Bank	Sandbach	Victoria R	UWA	Wilbraham	Wilmslow
%	77%	92%	67%	38%	74%	60%	64%	64%

Phonics								
	Ash Grove	Peover	Puss Bank	Sandbach	Victoria R	UWA	Wilbraham	Wilmslow
%	80%	100%	87%	73%	83%	80%	88%	90%

Key Stage 1								
	Ash Grove	Peover	Puss Bank	Sandbach	Victoria R	UWA	Wilbraham	Wilmslow
Reading	84%	75%	76%	80%	79%	58%	72%	63%
Writing	76%	75%	69%	73%	82%	60%	71%	57%
Maths	80%	83%	70%	67%	79%	69%	72%	63%

Key Stage 2								
	Ash Grove	Peover	Puss Bank	Sandbach	Victoria R	UWA	Wilbraham	Wilmslow
Reading	96%	100%	85%	80%	57%	74%	84%	84%
Writing	89%	89%	80%	80%	78%	82%	71%	72%
Maths	93%	89%	83%	93%	83%	81%	86%	78%
SPAG	93%	89%	83%	87%	70%	77%	81%	84%
Combined	89%	89%	78%	73%	57%	68%	71%	70%

THE ASPIRE EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Key performance indicators

In line with the high aspirations of the trust, a range of key performance indicators are used to regularly monitor the progress and success of each academy.

All academies good or better in Ofsted inspections

- (96% plus) good or better teaching (within 2 years of joining the trust).
- Working towards no student exclusions using the skills across the trust.
- Student attendance at least 96% plus.

Pre 11 targets

- 85% of children achieve Age Related Expectations and expected progress measure.
- Pupil Premium children making as good or better progress than non-pupil premium children in order to close the gap rapidly.

Leadership

All academies to have a talent management plan in place to recognise and celebrate the skills and talents of trust staff.

Going concern

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

Financial review

Excluding the net assets acquired on conversion, most of the trust's income is obtained from the Education & Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes.

During the year to 31 August 2018 £11,948,000 of recurrent grant funding from the ESFA and other incoming resources (excluding net assets gifted on conversion) were offset by total expenditure of £12,216,000, resulting in a net in-year deficit of £268,000 before actuarial gains on pensions of £1,088,000.

The net surplus represents a £277,000 operational surplus in the period.

After adjusting for actuarial gains on the pension scheme of £1,088,000 and including the net assets gifted on conversion of £9,618,000, the movement in funds during the period was £10,438,000.

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

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

Reserves policy

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

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

The trustees will review reserve levels of the trust annually.

At 31 August 2018 the value held in restricted general funds and unrestricted funds was £2,249,000.

THE ASPIRE EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Investment policy

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

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

Principal risks and uncertainties

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

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

Key controls in place include:

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

Fundraising

All schools abide by the Code of Fundraising Practice when fundraising to include the legal aspects, openness and honesty and being respectful to the public. All schools raise funds for a number of registered charities. These funds are raised through sponsorship and donations; there is no obligation for any child/parent or member of public to donate. All funds/donations collected are given to the relevant charity in a timely manner. Any complaints that the trust may receive regarding our methods of fundraising will be dealt with in a timely manner referring to the Code of Fundraising Practice.

Plans for future periods


Two Schools have already joined the trust post year end, Holmes Chapel Primary School joined the trust on 1 October 2018 and Parkroyal Community School joined the trust on 1 November 2018. The trust is currently discussing conversion with one other school with a view to it joining the trust in 2019. The main aim of the year is to set up policies and procedures and establish a clear vision for the trust to move forward. This is clearly set out in the MAT Business Plan.

Auditor

Insofar as the trustees are aware:

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

This trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company trustees, on 13 December 2018 and signed on the board's behalf by:


.....
Sue Bowen
Chair of trustees

THE ASPIRE EDUCATIONAL TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. Both the members and the board of trustees of the MAT met three times during academic year 2017-18. Attendance during the year at these meetings was as follows:

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

Trustees	Meetings attended	Out of a possible
S Bowen (Chair)	3	3
K Simpson (CEO and accounting officer)	3	3
K Newton	2	3
K Harrop	3	3
M Coppenhall	3	3
C Dean	3	3
K Egdell	2	3
S Naylor	1	3
P Stoddard	1	3
A Harris	2	2
T Hailwood	1	3
D Charnley	0	3
P Hewer	0	2
H Marsh	3	3

Governance reviews:

During this year the board of trustees, led by the CEO, has reviewed governance at all levels including the Terms of Reference and Scheme of Delegation. In line with NGA guidelines, this consultation has involved a National Leader of Governance, a serving OFSTED inspector and all local governing bodies. As a result, the board of trustees now has a Standards and Resources committee and each academy has a 'Local Academy Committee'. These committees have their own Terms of Reference and delegated powers.

Each term the board of trustees and the local academy committees carry out a self-review, alongside a skills audit, to focus on actions and impact. This is reviewed by the SLT of the MAT and trustees and appropriate actions are taken.

THE ASPIRE EDUCATIONAL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Review of value for money

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

Set out below is how the accounting officer has ensured that the academy trust's use of its resources has provided good value for money during the academic year.

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

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

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

The governors' and trustees' approach

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

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

Governors, and the school managers, will:

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

This will apply in particular to:

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

Governors and school managers:

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

THE ASPIRE EDUCATIONAL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Staffing

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

Use of premises

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

Use of resources

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

Teaching

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

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

Learning

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

Purchasing

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

- competitive tendering procedures (e.g. for goods and services above £25,000);
- three quotes for goods and services in excess of £3,000;
- procedures for accepting "best value" quotes, which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship); and
- procedures which minimise office time by the purchase of goods or services under £1000 direct from known, reliable suppliers (e.g. stationery, small equipment).

Pupils' welfare

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

Health & safety

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

THE ASPIRE EDUCATIONAL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Monitoring

These areas will be monitored for best value by:

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

In the next three years the trustees will:

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

The purpose of the system of internal control

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

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Haines Watts as internal auditors.

THE ASPIRE EDUCATIONAL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis the auditors reports direct to the audit committee who act on its findings and report the outcomes to the board of trustees, reflecting upon the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. The internal auditor has delivered their schedule of work as planned and no material control issues have been identified.

Review of effectiveness

As accounting officer the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by order of the members of the board of trustees on 13 December 2018 and signed on its behalf by:



.....
Sue Bowen
Chair of trustees



.....
Kevin Simpson
Accounting officer

THE ASPIRE EDUCATIONAL TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of The Aspire Educational 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 2017.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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



Kevin Simpson
Accounting officer

Date: 13 December 2018

THE ASPIRE EDUCATIONAL TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees (who are also the directors of The Aspire Educational Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & 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 accounts for each financial year. Under company law the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:


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

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

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

Approved by order of the members of the board of trustees on 13 December 2018 and signed on its behalf by:



Sue Bowen
Chair of trustees

THE ASPIRE EDUCATIONAL TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the accounts of The Aspire Educational Trust for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

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

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 'Auditor's responsibilities for the audit of the accounts' 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 accounts in the UK, including the FRC'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 accounts is not appropriate; or
- the trustees have not disclosed in the accounts 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 accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

THE ASPIRE EDUCATIONAL TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Opinions 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 incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated 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 the 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 incorporated 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.


THE ASPIRE EDUCATIONAL TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

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



John Whittick BSc FCA (Senior Statutory Auditor)

for and on behalf of Haines Watts

Chartered Accountants

Statutory Auditor

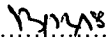
Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Date: 

THE ASPIRE EDUCATIONAL TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 7 August 2014 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Aspire Educational Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Aspire Educational Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Aspire Educational Trust and 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 The Aspire Educational Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of The Aspire Educational Trust's funding agreement with the Secretary of State for Education dated 24 January 2014 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by 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.

THE ASPIRE EDUCATIONAL TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

The work undertaken to draw to our conclusion includes:

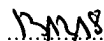
- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration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

Conclusion

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


.....

Haines Watts
Reporting Accountant

Date: 
.....

THE ASPIRE EDUCATIONAL TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2018 £'000	Total 2017 £'000
Income and endowments from:						
Donations and capital grants	2	-	38	345	383	179
Donations - transfer from local authority on conversion	25	448	(953)	10,123	9,618	6,912
Charitable activities:						
- Funding for educational operations	3	-	10,685	-	10,685	6,084
- Teaching schools	26	-	173	-	173	103
Other trading activities	4	352	352	-	704	485
Investments	5	3	-	-	3	4
Total		<u>803</u>	<u>10,295</u>	<u>10,468</u>	<u>21,566</u>	<u>13,767</u>
Expenditure on:						
Raising funds	6	45	-	-	45	45
Charitable activities:						
- Educational operations	7	-	11,903	95	11,998	6,924
- Teaching schools	26	-	173	-	173	103
Total	6	<u>45</u>	<u>12,076</u>	<u>95</u>	<u>12,216</u>	<u>7,072</u>
Net income/(expenditure)		758	(1,781)	10,373	9,350	6,695
Transfers between funds	17	(620)	730	(110)	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	1,088	-	1,088	(69)
Net movement in funds		138	37	10,263	10,438	6,626
Reconciliation of funds						
Total funds brought forward		<u>1,337</u>	<u>(3,367)</u>	<u>13,887</u>	<u>11,857</u>	<u>5,231</u>
Total funds carried forward		<u>1,475</u>	<u>(3,330)</u>	<u>24,150</u>	<u>22,295</u>	<u>11,857</u>

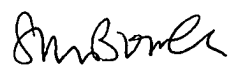
THE ASPIRE EDUCATIONAL TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

		2018		2017	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	12		24,146		13,887
Current assets					
Debtors	13	370		236	
Cash at bank and in hand		3,021		2,226	
		3,391		2,462	
Current liabilities					
Creditors: amounts falling due within one year	14	(1,065)		(653)	
Net current assets			2,326		1,809
Total assets less current liabilities			26,472		15,696
Creditors: amounts falling due after more than one year	16		(73)		(50)
Net assets excluding pension liability			26,399		15,646
Defined benefit pension scheme liability	19		(4,104)		(3,789)
Net assets			22,295		11,857
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			24,150		13,887
- Restricted income funds			774		422
- Pension reserve			(4,104)		(3,789)
Total restricted funds			20,820		10,520
Unrestricted income funds	17		1,475		1,337
Total funds			22,295		11,857

The accounts were approved by the trustees and authorised for issue on 13 December 2018 and are signed on their behalf by:



Sue Bowen
Chair of trustees

Company Number 08689696

THE ASPIRE EDUCATIONAL TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

		2018		2017	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash provided by operating activities	20		341		1,194
Cash funds transferred on conversion			323		59
			<u>664</u>		<u>1,253</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		3		4	
Capital grants from DfE Group		345		136	
Capital funding received from sponsors and others		-		9	
Purchase of tangible fixed assets		(232)		(540)	
		<u></u>		<u></u>	
Net cash provided by/(used in) investing activities			116		(391)
Cash flows from financing activities					
Repayment of long term bank loan		15		-	
		<u></u>		<u></u>	
Net cash provided by/(used in) financing activities			15		-
			<u></u>		<u></u>
Net increase in cash and cash equivalents in the reporting period			795		862
Cash and cash equivalents at beginning of the year			2,226		1,364
			<u></u>		<u></u>
Cash and cash equivalents at end of the year			3,021		2,226
			<u></u>		<u></u>

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

1.1 Basis of preparation

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

The Aspire Educational 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, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Puss Bank School and Wilbraham Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. The land remains under the local authority's ownership and the buildings are under a 125 year lease under which peppercorn rent is payable. Further details of the transaction are set out in note 25.

1.4 Income

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

Grants receivable

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

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

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

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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.

1.6 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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

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

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

1.7 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.

1.8 Leasing and hire purchase commitments

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

1.9 Taxation

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

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

1.10 Pensions benefits

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

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

1.11 Fund accounting

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

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

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

1.12 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Capital grants	-	345	345	136
Other donations	-	38	38	43
	<u>-</u>	<u>383</u>	<u>383</u>	<u>179</u>

The income from donations and capital grants was £383,000 (2017: £179,000) of which £38,000 was restricted (2017: £34,000) and £345,000 was restricted fixed assets (2017: £145,000).

3 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	8,206	8,206	4,886
Start up grants	-	50	50	75
Other DfE group grants	-	1,763	1,763	698
NCTL Teaching Schools grants	-	65	65	104
	<u>-</u>	<u>10,084</u>	<u>10,084</u>	<u>5,763</u>
Other government grants				
Local authority grants	-	713	713	344
	<u>-</u>	<u>713</u>	<u>713</u>	<u>344</u>
Other funding				
Research grant income	-	60	60	80
Other incoming resources	-	1	1	-
	<u>-</u>	<u>61</u>	<u>61</u>	<u>80</u>
Total funding	<u>-</u>	<u>10,858</u>	<u>10,858</u>	<u>6,187</u>

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

3 Funding for the academy trust's educational operations

The income from funding for educational operations was £10,858,000 (2017: £6,187,000) of which £10,858,000 was restricted (2017: £6,187,000).

The academy trust received £713,000 from the local authority in the year being split as follows:

- £4,000 of Pupil Premium funding
- £411,000 of Early Years funding
- £293,000 of High Needs Top Up funding
- £5,000 of other grants

There were no unfulfilled conditions or other contingencies relating to the grants in the year.

4 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Catering income	-	130	130	70
Parental contributions	-	222	222	75
Other income	352	-	352	340
	<u>352</u>	<u>352</u>	<u>704</u>	<u>485</u>

The income from other trading activities was £704,000 (2017: £485,000) of which £352,000 was unrestricted (2017: £340,000) and £352,000 was restricted (2017: £145,000).

5 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Short term deposits	<u>3</u>	<u>-</u>	<u>3</u>	<u>4</u>

The income from funding for investment income was £3,000 (2017: £4,000) of which £3,000 was unrestricted (2017: £4,000).

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

6 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2018 £'000	Total 2017 £'000
Expenditure on raising funds					
- Direct costs	-	-	45	45	45
Academy's educational operations					
- Direct costs	6,892	83	850	7,825	4,338
- Allocated support costs	2,430	649	1,094	4,173	2,586
- Teaching school (Note 26)	128	-	45	173	103
	<u>9,450</u>	<u>732</u>	<u>2,034</u>	<u>12,216</u>	<u>7,072</u>

The expenditure on raising funds was £45,000 (2017: £45,000) of which £45,000 was unrestricted (2017: £45,000).

Net income/(expenditure) for the year includes:

	2018 £'000	2017 £'000
Fees payable to auditor for:		
- Audit	30	30
- Other services	12	14
Operating lease rentals	19	10
Depreciation of tangible fixed assets	95	60
Net interest on defined benefit pension liability	113	77
	<u>113</u>	<u>77</u>

7 Charitable activities

	2018 £'000	2017 £'000
All from restricted funds:		
Direct costs		
Educational operations	7,825	4,338
Support costs		
Educational operations	4,173	2,586
	<u>11,998</u>	<u>6,924</u>

The expenditure on educational operations was £11,998,000 (2017: £6,924,000) of which £11,903,000 was restricted (2017: £6,864,000) and £95,000 was restricted fixed assets (2017: £60,000).

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Charitable activities

Analysis of costs	2018 £'000	2017 £'000
Direct costs		
Teaching and educational support staff costs	6,856	3,830
Staff development	36	26
Depreciation	83	44
Technology costs	66	24
Educational supplies and services	684	383
Other direct costs	100	31
	<u>7,825</u>	<u>4,338</u>
Support costs		
Support staff costs	2,430	1,455
Depreciation	12	16
Technology costs	62	42
Maintenance of premises and equipment	231	113
Cleaning	36	23
Energy costs	133	76
Rent, rates and other occupancy costs	115	64
Insurance	107	69
Security and transport	71	37
Catering	437	268
Interest on defined benefit pension scheme	113	77
Other support costs	396	309
Governance costs	30	37
	<u>4,173</u>	<u>2,586</u>

8 Central services

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

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

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

- flat percentage of GAG income (5%).

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8 Central services

The amounts charged during the year were as follows:

	2018 £'000	2017 £'000
The Wilmslow Academy	64	57
Underwood West Academy	109	84
Victoria Road Primary School	43	-
Ash Grove Academy	47	46
Peover Superior Endowed Primary School	16	16
Sandbach Primary Academy	23	23
Puss Bank School	47	-
Wilbraham Primary School	59	-
	<u>408</u>	<u>226</u>

9 Staff

Staff costs

Staff costs during the year were:

	2018 £'000	2017 £'000
Wages and salaries	7,062	4,135
Social security costs	607	331
Pension costs	1,671	877
Staff costs	<u>9,340</u>	<u>5,343</u>
Agency staff costs	52	18
Staff restructuring costs	22	-
Staff development and other staff costs	36	26
Total staff expenditure	<u>9,450</u>	<u>5,387</u>

Staff restructuring costs comprise:

Severance payments	<u>22</u>	<u>-</u>
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THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Staff

Staff numbers

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

	2018 Number	2017 Number
Teachers	119	70
Administration and support	283	169
Management	32	20
	<u>434</u>	<u>259</u>

Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	-	1
£70,001 - £80,000	2	1
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
	<u>1</u>	<u>-</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,673,853 (2017: £1,026,266).

10 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, travel and subsistence payments totalling £1,423 (2017: £2,380) were reimbursed to 1 trustee (2017: 4 trustees).

The value of trustees' remuneration was as follows:

K Simpson (Executive Principal and trustee)

Remuneration: £135,001 - £140,000 (2017: £125,001 - £130,000)

Employer's pension contributions: £nil (2017: £nil)

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

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

11 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.

12 Tangible fixed assets

	Leasehold land and buildings	Leasehold improvements	Computer equipment	Fixtures, fittings & equipment	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 September 2017	12,804	938	93	128	25	13,988
Transfer on conversion	10,102	-	-	21	-	10,123
Additions	58	67	42	44	21	232
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2018	22,964	1,005	135	193	46	24,343
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation						
At 1 September 2017	-	45	36	20	-	101
Charge for the year	-	50	30	(8)	24	96
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2018	-	95	66	12	24	197
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value						
At 31 August 2018	22,964	910	69	181	22	24,146
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2017	12,804	893	57	108	25	13,887
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The net book value of land and buildings comprises:

	2018 £'000	2017 £'000
Long leaseholds (over 50 years)	22,964	12,804
	<u> </u>	<u> </u>

13 Debtors

	2018 £'000	2017 £'000
Trade debtors	10	15
VAT recoverable	153	66
Prepayments and accrued income	207	155
	<u> </u>	<u> </u>
	370	236
	<u> </u>	<u> </u>

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

14	Creditors: amounts falling due within one year	2018	2017
		£'000	£'000
	Government loans	8	5
	Trade creditors	331	122
	Other taxation and social security	190	113
	Other creditors	224	109
	Accruals and deferred income	312	304
		<u>1,065</u>	<u>653</u>
15	Deferred income	2018	2017
		£'000	£'000
	Deferred income is included within:		
	Creditors due within one year	<u>173</u>	<u>100</u>
	Deferred income at 1 September 2017	100	30
	Released from previous years	(100)	(30)
	Resources deferred in the year	<u>173</u>	<u>100</u>
	Deferred income at 31 August 2018	<u>173</u>	<u>100</u>
At the balance sheet date, the academy trust was holding Universal Infant Free School Meals grant income received in advance for the 2018/19 financial year.			
16	Creditors: amounts falling due after more than one year	2018	2017
		£'000	£'000
	Government loans	62	50
	Accruals and deferred income	<u>11</u>	<u>-</u>
		<u>73</u>	<u>50</u>

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16	Creditors: amounts falling due after more than one year	2018	2017
	Analysis of loans		
	Wholly repayable within five years	70	55
	Less: included in current liabilities	(8)	(5)
		<u>62</u>	<u>50</u>
	Amounts included above		
	Loan maturity		
	Debt due in one year or less	8	5
	Due in more than one year but not more than two years	8	7
	Due in more than two years but not more than five years	28	20
	Due in more than five years	26	23
		<u>70</u>	<u>55</u>

The Government loan is part of the funding approved by the ESFA for the improvements to schools within the Trust. The funding was delivered as a combination of capital grant and a 0% "Salix" loan.

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	245	8,206	(8,740)	569	280
Start up grants	-	50	(50)	-	-
Other DfE / ESFA grants	177	1,828	(1,673)	161	493
Other government grants	-	713	(713)	-	-
Other restricted funds	-	451	(450)	-	1
Pension reserve	(3,789)	(953)	(450)	1,088	(4,104)
	<u>(3,367)</u>	<u>10,295</u>	<u>(12,076)</u>	<u>1,818</u>	<u>(3,330)</u>
Restricted fixed asset funds					
Transfer on conversion	12,842	10,123	(11)	-	22,954
DfE group capital grants	862	345	(64)	(177)	966
Capital expenditure from GAG	27	-	(6)	22	43
LA capital grants	86	-	(4)	-	82
Big Lottery fund	16	-	(4)	-	12
Groundworks	9	-	-	-	9
Expenditure from unrestricted	45	-	(6)	45	84
	<u>13,887</u>	<u>10,468</u>	<u>(95)</u>	<u>(110)</u>	<u>24,150</u>
Total restricted funds	<u>10,520</u>	<u>20,763</u>	<u>(12,171)</u>	<u>1,708</u>	<u>20,820</u>
Unrestricted funds					
General funds	<u>1,337</u>	<u>803</u>	<u>(45)</u>	<u>(620)</u>	<u>1,475</u>
Total funds	<u>11,857</u>	<u>21,566</u>	<u>(12,216)</u>	<u>1,088</u>	<u>22,295</u>

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

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

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

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

The transfer from other DfE/ESFA restricted general funds to other DfE/ESFA capital grant funds is a combination of the CIF money brought forward spent in the year and CIF money received in the year not yet spent and so carried forward to the following year.

The transfer from other DfE/ESFA restricted general funds to General Annual Grant relates to DFC income used for revenue expenditure in the year.

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

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

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

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant (GAG)	139	4,886	(5,014)	234	245
Start up grants	-	75	(75)	-	-
Other DfE / ESFA grants	642	802	(1,007)	(260)	177
Other government grants	86	344	(344)	(86)	-
Other restricted funds	-	294	(294)	-	-
Pension reserve	(784)	(2,703)	(233)	(69)	(3,789)
	<u>83</u>	<u>3,698</u>	<u>(6,967)</u>	<u>(181)</u>	<u>(3,367)</u>
Restricted fixed asset funds					
Transfer on conversion	4,230	8,625	(13)	-	12,842
DfE group capital grants	510	136	(40)	256	862
Capital expenditure from GAG	23	-	(5)	9	27
LA capital grants	-	-	-	86	86
Big Lottery fund	18	-	(2)	-	16
Expenditure from unrestricted	-	-	-	45	45
Groundworks	-	9	-	-	9
	<u>4,781</u>	<u>8,770</u>	<u>(60)</u>	<u>396</u>	<u>13,887</u>
Total restricted funds	<u>4,864</u>	<u>12,468</u>	<u>(7,027)</u>	<u>215</u>	<u>10,520</u>
Unrestricted funds					
General funds	<u>367</u>	<u>1,299</u>	<u>(45)</u>	<u>(284)</u>	<u>1,337</u>
Total funds	<u>5,231</u>	<u>13,767</u>	<u>(7,072)</u>	<u>(69)</u>	<u>11,857</u>

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	139	13,092	(13,754)	803	280
Start up grants	-	125	(125)	-	-
Other DfE / ESFA grants	642	2,630	(2,680)	(99)	493
Other government grants	86	1,057	(1,057)	(86)	-
Other restricted funds	-	745	(744)	-	1
Pension reserve	(784)	(3,656)	(683)	1,019	(4,104)
	<u>83</u>	<u>13,993</u>	<u>(19,043)</u>	<u>1,637</u>	<u>(3,330)</u>
Restricted fixed asset funds					
Transfer on conversion	4,230	18,748	(24)	-	22,954
DfE group capital grants	510	481	(104)	79	966
Capital expenditure from GAG	23	-	(11)	31	43
LA capital grants	-	-	(4)	86	82
Big Lottery fund	18	-	(6)	-	12
Expenditure from unrestricted	-	-	(6)	90	84
Groundworks	-	9	-	-	9
	<u>4,781</u>	<u>19,238</u>	<u>(155)</u>	<u>286</u>	<u>24,150</u>
Total restricted funds	<u>4,864</u>	<u>33,231</u>	<u>(19,198)</u>	<u>1,923</u>	<u>20,820</u>
Unrestricted funds					
General funds	<u>367</u>	<u>2,102</u>	<u>(90)</u>	<u>(904)</u>	<u>1,475</u>
Total funds	<u>5,231</u>	<u>35,333</u>	<u>(19,288)</u>	<u>1,019</u>	<u>22,295</u>

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

Total funds analysis by academy

	2018	2017
	£'000	£'000
Fund balances at 31 August 2018 were allocated as follows:		
The Wilmslow Academy	67	68
Underwood West Academy	830	833
Victoria Road Primary School	10	5
Ash Grove Academy	537	569
Peover Superior Endowed Primary School	70	47
Sandbach Primary Academy	65	96
Puss Bank School	108	-
Wilbraham Primary School	177	-
Central services	378	141
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	2,242	1,759
Restricted fixed asset fund	24,150	13,887
Pension reserve	(4,104)	(3,789)
	<hr/>	<hr/>
Total funds	22,288	11,857
	<hr/>	<hr/>

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
	£'000	£'000	£'000	£'000	£'000
The Wilmslow Academy	1,067	249	98	323	1,737
Underwood West Academy	1,825	470	152	468	2,915
Victoria Road Primary School	639	215	52	235	1,141
Ash Grove Academy	835	459	190	352	1,836
Peover Superior Endowed Primary School	223	67	46	68	404
Sandbach Primary Academy	369	112	57	131	669
Puss Bank School	999	232	84	259	1,574
Wilbraham Primary School	1,003	252	115	300	1,670
Central services	-	25	34	116	175
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	6,960	2,081	828	2,252	12,121
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	24,146	24,146
Current assets	1,475	1,912	4	3,391
Creditors falling due within one year	-	(1,065)	-	(1,065)
Creditors falling due after one year	-	(73)	-	(73)
Defined benefit pension liability	-	(4,104)	-	(4,104)
Total net assets	1,475	(3,330)	24,150	22,295

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	13,887	13,887
Current assets	1,337	1,125	-	2,462
Creditors falling due within one year	-	(653)	-	(653)
Creditors falling due after one year	-	(50)	-	(50)
Defined benefit pension liability	-	(3,789)	-	(3,789)
Total net assets	1,337	(3,367)	13,887	11,857

19 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £190,257 (2017: £108,992) were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £643,000 (2017: £371,000).

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

Under the definitions set out in FRS 102, the TPS is 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 scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.1 to 32% for employers and 5.8 to 8.5% for employees. The estimated value of employer contributions for the forthcoming year is £769,000.

The LGPS obligation relates to the employees of the academy trust who were employees transferred as part of the conversion from the maintained school (as described in note 25) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

Total contributions made	2018 £'000	2017 £'000
Employer's contributions	704	383
Employees' contributions	154	87
Total contributions	858	470

Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	2.6 - 3.1	2.7
Rate of increase for pensions in payment/inflation	2.3 - 2.4	2.4
Discount rate for scheme liabilities	2.8	2.5

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

	2018 Years	2017 Years
Retiring today		
- Males	21.5 - 22.3	22.3
- Females	24.1 - 24.5	24.5
Retiring in 20 years		
- Males	23.7 - 23.9	23.9
- Females	26.2 - 26.5	26.5

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

Sensitivity analysis – Ash Grove Academy
Changes in assumptions at 31 August 2018

	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	14%	127
0.5% increase in the Salary Increase Rate	2%	21
0.5% increase in the Pension Increase Rate	12%	105

Sensitivity analysis – Peover Superior Endowed Primary School
Changes in assumptions at 31 August 2018

	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	10%	22
0.5% increase in the Salary Increase Rate	1%	2
0.5% increase in the Pension Increase Rate	9%	20

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

Sensitivity analysis – Sandbach Primary Academy Changes in assumptions at 31 August 2018

	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	14%	57
0.5% increase in the Salary Increase Rate	3%	10
0.5% increase in the Pension Increase Rate	12%	46

Sensitivity analysis – The Wilmslow Academy Changes in assumptions at 31 August 2018

	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	13%	164
0.5% increase in the Salary Increase Rate	3%	31
0.5% increase in the Pension Increase Rate	11%	131

Sensitivity analysis – Underwood West Academy Changes in assumptions at 31 August 2018

	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	13%	421
0.5% increase in the Salary Increase Rate	3%	94
0.5% increase in the Pension Increase Rate	10%	320

Sensitivity analysis – Victoria Road Primary School Changes in assumptions at 31 August 2018

	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	13%	114
0.5% increase in the Salary Increase Rate	2%	19
0.5% increase in the Pension Increase Rate	11%	93

Sensitivity analysis – Puss Bank School Changes in assumptions at 31 August 2018

	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	13%	121
0.5% increase in the Salary Increase Rate	2%	19
0.5% increase in the Pension Increase Rate	11%	101

Sensitivity analysis – Wilbraham Primary School Changes in assumptions at 31 August 2018

	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	14%	398
0.5% increase in the Salary Increase Rate	3%	89
0.5% increase in the Pension Increase Rate	11%	303

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

The academy trust's share of the assets in the scheme	2018 Fair value £'000	2017 Fair value £'000
Equities	4,029	1,665
Bonds	1,767	845
Cash	253	78
Property	<u>538</u>	<u>196</u>
Total market value of assets	<u>6,587</u>	<u>2,784</u>
The actual return on scheme assets was £316,000 (2017: £264,000).		
Amount recognised in the statement of financial activities	2018 £'000	2017 £'000
Current service cost	1,041	539
Interest income	(112)	(44)
Interest cost	<u>225</u>	<u>121</u>
Total operating charge	<u>1,154</u>	<u>616</u>
Changes in the present value of defined benefit obligations	2018 £'000	2017 £'000
At 1 September 2017	6,573	1,363
Obligations acquired on conversion	3,590	4,186
Current service cost	1,041	539
Interest cost	225	121
Employee contributions	154	87
Actuarial (gain)/loss	(884)	289
Benefits paid	<u>(8)</u>	<u>(12)</u>
At 31 August 2018	<u>10,691</u>	<u>6,573</u>

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

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

	2018	2017
	£'000	£'000
At 1 September 2017	2,784	579
Assets acquired on conversion	2,637	1,483
Interest income	112	44
Actuarial gain	204	220
Employer contributions	704	383
Employee contributions	154	87
Benefits paid	(8)	(12)
	<u>6,587</u>	<u>2,784</u>
At 31 August 2018	<u>6,587</u>	<u>2,784</u>

20 Reconciliation of net income to net cash flow from operating activities

	2018	2017
	£'000	£'000
Net income for the reporting period (as per the Statement of Financial Activities)	9,350	6,695
Adjusted for:		
Net surplus on conversion to academy	(9,618)	(6,912)
Capital grants from DfE/ESFA and other capital income	(345)	(145)
Investment income receivable	(3)	(4)
Defined benefit pension costs less contributions payable	337	156
Defined benefit pension net finance cost	113	77
Depreciation of tangible fixed assets	95	60
(Increase) in debtors	(134)	(136)
Increase in creditors	421	472
Stocks, debtors and creditors transferred on conversion	125	931
	<u>341</u>	<u>1,194</u>
Net cash provided by operating activities	<u>341</u>	<u>1,194</u>

21 Commitments under operating leases

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

	2018	2017
	£'000	£'000
Amounts due within one year	19	13
Amounts due in two and five years	9	4
	<u>28</u>	<u>17</u>

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

22 Post balance sheet events

After the year end, Holmes Chapel Primary and Parkroyal Community School (already academies) joined The Aspire Educational Trust on 1 October 2018 and 1 November 2018 respectively. No amendments to the figures in the financial statements are required.

23 Related party transactions

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 10.

24 Members' liability

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

25 Conversion to an academy

On 1 December 2017 the Puss Bank School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Aspire Educational Trust from the Cheshire East Local Authority for £nil consideration.

On 1 April 2018 the Wilbraham Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Aspire Educational Trust from the Greater Manchester Local Authority 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 values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net [gain/loss] in the statement of financial activities as [donations – transfer from local authority on conversion / charitable activities – 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.

Academy	Location	Date of conversion
Puss Bank School	Cheshire East	1 December 2017
Wilbraham Primary School	Greater Manchester	1 April 2018

	2018 £'000
Net assets transferred:	
Freehold land and buildings	10,102
Other tangible fixed assets	21
Cash	323
LGPS pension surplus/(deficit)	(953)
Surplus budget	125
	<hr/>
	9,618
	<hr/>

THE ASPIRE EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

25 Conversion to an academy

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2018 £'000
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	10,123	10,123
LA budget funds	150	-	-	150
School private fund	298	-	-	298
LGPS pension funds	-	(953)	-	(953)
	<u>448</u>	<u>(953)</u>	<u>10,123</u>	<u>9,618</u>

Land and buildings have been included at their net book value transferred from the local authority. The land remains under the local authority's ownership and the buildings are under a 125 year lease under which peppercorn rent is payable.

26 Teaching school trading account

	2017/18 £'000	2016/17 £'000	2016/17 £'000
Income			
- Teaching school – grant	64		103
- Other income	109		-
	<u>173</u>		<u>103</u>
Expenditure			
- Direct staff costs	103		61
- Travel costs	3		2
- Other direct costs	39		24
	<u>(145)</u>		<u>(87)</u>
- Support staff costs	26		15
- Food & provisions	2		1
	<u>(28)</u>		<u>(16)</u>
Total expenditure	(173)		(103)
Transfers between funds	-		-
Surplus/(deficit) from all sources	-		-
Teaching school balances at 1 September 2017	-		-
Teaching school balances at 31 August 2018	<u>-</u>		<u>-</u>