

# **Aspirations Academies Trust**

## **Annual Report and Financial Statements**

31 August 2021

Company Limited by Guarantee  
Registration Number  
07867577 (England and Wales)

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## Reference and administrative information

<b>Members</b>	M Corso R McNulty I Livingstone (Appointed 31/12/2020) R Sancho N Foharani (Notified - 29/04/2021)
<b>Trustees</b>	S Kenning, Managing Director and Accounting Office I Livingstone (Resigned - 31/12/2020) T Baig (Resigned - 24/11/2020) C Bault (Resigned - 10/03/2021) V Daniels (Resigned - 14/12/2020) P Kenning M Brocklehurst J Pomeroy, Chair S Riley J Moorhouse A Moore K Keating
<b>Company registration number</b>	07867577 (England and Wales)
<b>Company name</b>	Aspirations Academy Trust
<b>Principal and registered office</b>	World Business Centre 3 Newall Road London Heathrow Airport Hounslow Middlesex TW6 2TA
<b>Company secretary</b>	F Achamfour-Yeboah
<b>Chief Executive Officer</b>	S Kenning
<b>Senior Management Team</b>	
Managing Director	S Kenning
Deputy Managing Director	P Kenning
HR Director and Compliance	J Reece,
Director of Finance	F Achamfour-Yeboah
Director of Estates	R Lall
Director of Education and Standards	J Quaye

## Reference and administrative information

<b>Independent Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Lloyds Banking Group 21-22 High Street London UB8 1JD
<b>Solicitors</b>	Browne Jacobson LLP 15 <sup>th</sup> Floor 6 Bevis Marks London EC3A 7BA

## Trustees' report Year to 31 August 2021

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2021. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and it is also the report of the directors for the purposes of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out therein and comply with the charitable company's memorandum and articles of association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102).

The Aspirations Academy Trust operated 15 Academies in 2020/21 in four distinct regions: West London, South Central, South West and South Coast. In October 2020, there were 8,638 students in the Academies.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of Aspirations Academies Trust are also the Directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1-2.

#### Members' liability

Each Member of the charitable company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a Member, or within one year after he/she ceases to be a Member, such amount as may be required, not exceeding £10.00, for the debts and liabilities contracted before they ceased to be a Member.

#### Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	17
Full-time equivalent employee number	15.2

Percentage of time spent on facility time

Percentage of time	Number of employees
	16
	1

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

### Trade union facility time (continued)

Percentage of pay bill spent on facility time

Total cost of facility time	£3,770
Total pay bill	£41,967,338
Percentage of total pay bill	0.01%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	81.52%
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### Trustees' indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £10,000,000. In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim.

### Method of recruitment and appointment or election of Trustees

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

### Policies and procedures adopted for the induction and training of Trustees

New Trustees are welcomed to the Board of Trustees by the Chair of Trustees and Managing Director who meet with the new Trustee and discuss the range of business that the Trust undertakes including the wider educational context, the Trust's mission and aspirations, the operation of the network and the priorities for the coming year. The training of new Trustees would depend on the skills, knowledge and expertise of the new Trustee and the particular role that they may wish to develop for themselves whilst they are serving on the Trustee Board. Trustees are also briefed regularly by senior management on educational and other Trust matters, through a combination of briefings at Board meetings, other sessions, visits to Academies and individual meetings.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

### **Organisational structure**

At 31 August 2021, the Academy Trust comprised the following individual academies:

- ◆ Wykham Park Academy Banbury
- ◆ Dashwood Banbury Academy
- ◆ Harriers Banbury Academy
- ◆ Rivers Academy West London
- ◆ Oriel Academy West London
- ◆ Oak Hill Academy West London
- ◆ Magna Academy Poole
- ◆ Jewell Academy Bournemouth
- ◆ Futures Institute Banbury
- ◆ Space Studio West London
- ◆ Ocean Academy Poole
- ◆ Park Academy West London
- ◆ Atlantic Academy Portland
- ◆ Bovington Academy
- ◆ Budmouth Academy Weymouth

The Board of Trustees normally meets four times each year. The Trustee Board is the governing body for all the Trust's Academies. The Trustees set general policy, approve an annual budget and plan, monitor performance against plans and budgets and make major decisions about strategy, network development and senior staff appointments. The Trust also has an Audit and Risk Committee, and a Finance Committee which monitors the Trust's budget and finances on a monthly basis and meets four times a year.

The Board of Trustees delegates a number of functions to the Regional Boards that oversee the operation of each Academy. Each Regional Board reviews annual Academy plans, and monitors progress against targets and OFSTED standards. Each Regional Board has two elected parent members, at least two co-opted members from the community, each Principal in the region, and central team members.

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

The Managing Director is the Accounting Officer.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

### **Arrangements for setting pay and remuneration of key management personnel**

The Trustees consider the Board of Trustees and the Senior Management Team to comprise the key management personnel of the Academy Trust in charge of directing and controlling, running and operating the Academy Trust on a day to day basis. All Trustees give of their time freely and no Trustee received any remuneration in the current or prior year, other than those Trustees who are also employees of the Academy Trust. The details of Trustees' remuneration and expenses are disclosed in note 14 of the financial statements.

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

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

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

### **Connected Organisations, including Related Party Relationships**

A wholly owned subsidiary, Aspirations Managed Services Limited, was incorporated on 6 January 2020 and was dissolved on 6 July 2021 without having traded.

There were no other connected organisations or related party transactions in the year.

### **Engagement with employees (including disabled persons)**

The Trust engages with their employees through many means and methods, including:

- ◆ Consulting with employees on key matters, including engaging the relevant union officials
- ◆ Having a staff representative on the Board
- ◆ Regular updates to all staff members, via termly updates and newsletters, including covering both financial and non-financial performance.



## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

### **Engagement with employees (including disabled persons)** (continued)

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

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

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

### **Engagement with suppliers, customers and others in a business relationship with the Trust**

During the academic year, the Trust has been in constant contact with suppliers in ensuring continuity and to provide support if required in the delivery of goods and services.

Adherence to value for money procurement has been at the core of all contractual commitments undertaken by the Trust.

Suppliers who have requested early settlement of invoices have been helped to support their cashflow and retention of staff without compromising our robust supplier screening process in light of Covid 19.

## **OBJECTIVES AND ACTIVITIES**

### **Objects and Aims**

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

In summary, it is to advance for the public benefit education in the United Kingdom, in particular maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum. It seeks to deliver this object through a network of Academies clustered in a number of regions that work together to provide 2- 18 education for our students. In accordance with the Articles of Association the Trust has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things, the basis for admitting students to our Academies, and that the curriculum should comply with the substance of the National Curriculum.

### **What are we about?**

Aspirations Academies share a common vision, common values and a common purpose, with each Academy operating as an individual school, serving the local area, meeting the needs of its pupils and reflecting the leadership style of the Principal.

## **OBJECTIVES AND ACTIVITIES** (continued)

### **Our Vision**

'To empower future generations to follow their dreams and to build a society of which we can all be proud.'

### **Our Purpose is:**

'To reinvent education for the 21<sup>st</sup> century. To use technology and modern pedagogies to give children from 2 to 18 the knowledge, skills and mindsets to achieve excellence in a fast-changing world. At Aspirations Academies, we provide a challenging, engaging and supportive environment to bring out the best in every child.'

### **Aspirations Principles:**

The three Guiding Principles underpin the learning in each Academy:

- ◆ Self-worth
- ◆ Engagement
- ◆ Purpose.

These are the basis of the Aspirations Trust. If people feel good about themselves, they can achieve anything; if they are engaged in what they are doing and see a purpose then they will achieve their dreams.

### **The Aspirations Framework**

The 3 Guiding Principles support the 8 Conditions that make a difference to raising student aspirations to provide an Aspirations Framework to guide the work in achieving the Aspirations vision.

The 8 conditions that make a difference to raising student aspirations:

- ◆ Belonging
- ◆ Heroes
- ◆ Sense of Accomplishment
- ◆ Fun and Excitement
- ◆ Curiosity and Creativity
- ◆ Spirit of Adventure
- ◆ Leadership and Responsibility
- ◆ Confidence to Take Action.

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

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

## **OBJECTIVES AND ACTIVITIES** (continued)

### **Objectives, Strategies and Activities** (continued)

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

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

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

### **Public Benefit**

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

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

## **STRATEGIC REPORT**

### **Review of Activities**

The Covid 19 pandemic has had a significant impact on examinations at all levels in schools. The current Government advice is:

## **STRATEGIC REPORT** (continued)

### **Review of Activities** (continued)

The tests, assessments and exams due to take place at Key Stages 1, 2, 4, and 5 in summer term 2021 did not take place due to coronavirus (Covid 19). GCSE, AS and A level (and equivalent) grades were awarded to students in 2021 based on an assessment by their teachers. The DfE has made a firm commitment not to hold schools or colleges to account on data based on the summer 2021 qualifications.

### **Key Financial Performance Indicators**

The key financial performance indicator is that individual Academies live within their funding without jeopardising their educational operations. This is aided by ongoing benchmarking between Academies and with national statistics. Two of our Academies remain a cause for financial concern and these are being supported and monitored closely to ensure that they return to financial balance. Both should see pupil numbers rise in future years, which will assist the situation. The advantage of the Trust GAG pooling is that we can support our Academies with our overall resources, ensuring all of the Academies are well resourced and not hampered by lack of resources.

The main indicator of financial well-being is the level of reserves held at the Balance Sheet date and in particular, the amount of unrestricted funds plus restricted income funds carried forward at the Balance Sheet date. At 31 August 2021, the balance of the unrestricted funds was £2.16 million (2020: £1.87 million) and restricted funds (excluding pension) was £127.1 million (£122.5 million). Included within restricted funds is £0.8 million (2020: £1.0 million) deficit amassed by IPACA (now Atlantic Academy Portland) prior to it joining Aspirations. The Trust is now repaying the debt.

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

As the majority of the Academy Trust's funding is based on pupil numbers, pupil numbers is also a key performance indicator. Pupil numbers at the October 2020 census were 8,638 and 8,694 at the October 2019 census.

Staffing costs are another key performance indicator for the Academy Trust and the percentage of staff costs (excluding LGPS FRS102 pension cost adjustments) to total costs (excluding depreciation and LGPS FRS102 pension and interest cost adjustments) was 78.4% (2020: 76.9%), while the percentage of staff costs (excluding LGPS FRS102 pension cost adjustments) to total income (excluding capital grants and conversion balances) was 77.4% (2020: 77.5%).

### **Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the Going Concern basis in preparing the financial statements. Further details regarding the adoption of the Going Concern basis can be found in the Going Concern accounting policy.

## **STRATEGIC REPORT** (continued)

### **Promoting the success of the company**

The Trustees have acted in accordance with the Companies Act 2006 in promoting the success of the Trust by ensuring the long-term prospects of the Trust are sound, ensuring the welfare of the employees is considered, ensured that the business relationships with suppliers, customers and other are considered too as well as that the operations of the Trust impact favourably on the community and environment.

### **FINANCIAL REVIEW**

The majority of the Academy Trust's income is received from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities. The Academy Trust also receives grants for fixed assets from the ESFA and other organisations and funders and these are shown as Restricted Fixed Asset Funds in the Statement of Financial Activities. The balance of the Restricted Fixed Asset fund is reduced by the depreciation charges on the assets acquired using these funds.

During the year ended 31 August 2021, the Trust received total income, including capital grants and net assets transferred from Academies joining the Trust, of £62.3 million (2020: £62.1 million), while expenditure for the year, including depreciation and LGPS FRS102 pension cost and interest cost adjustments, totalled £59.8 million (2020: £60.0 million).

Excluding the impact of capital grants, net assets transferred from Academies joining the Trust, depreciation and LGPS FRS102 pension cost and interest cost adjustments, the total operating income for the year was £53.9 million (2020: £52.8 million) and the total operating expenditure for the year was £53.0 million (2020: £53.9 million), thereby giving a net operating surplus for the year of £0.9 million (2020: deficit of £1.0 million).

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

The net book value of fixed assets at 31 August 2021 is £126.8 million (2020: £122.4 million), which includes the value of fixed assets transferred from Academies joining the Trust in the year of £6.6 million (2020: £11.8 million) and depreciation charges for the year of £4.1 million (2020: £3.5 million). The fixed assets held by the Academy Trust are used exclusively for providing education and associated support services to the pupils of the Trust.

**STRATEGIC REPORT** (continued)

**FINANCIAL REVIEW** (continued)

Total funds held at 31 August 2021 were £87.66 million which comprised of the following:

Restricted Funds (excluding Pension Liability):	(£0.33 million)
Restricted Pension Liability Fund:	(£41.63 million)
Restricted Fixed Asset Fund:	£127.47 million
Unrestricted Funds:	£2.16 million

Included within the Academy Trust's Balance Sheet at year end is a defined benefit pension scheme liability of £41.63 million (2020: £34.90 million), which arises from the deficit in the Local Government Pension Scheme (LGPS) that is attributable to the individual Academies within the Trust. Further details regarding the deficit in the LGPS at 31 August 2021 are set out in note 18 to the financial statements.

**Reserves Policy**

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

The Trustees have determined that the appropriate level of free reserves should be approximately 5% of total operating income which equates to approximately £2.70 million. The actual level of free reserves at 31 August 2021 (that is, total funds less the amount held in total restricted funds) is £2.16 million. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, long term staff absences etc. The current level of free reserves falls slightly below the target and the Trust intends to work towards the minimum target level.

The value of the restricted fixed asset fund at 31 August 2021 is £127.47 million, which is represented by the fixed assets and unspent capital funding that are used exclusively for providing education and associated support services to the pupils of the Trust. These funds can only be realised by disposing of the associated tangible fixed assets.

The pension reserve fund has a deficit balance at 31 August 2021 of £41.63 million, which represents the deficit in the LGPS at the Balance Sheet date. The effect of the LGPS deficit is that Academy Trust is required to make additional pension contributions over a number of years in order to fund the deficit. These additional pension contributions will be funded from the Trust's annual recurring income, which may significantly impact its ability to continue to deliver its educational outcomes with the available public funding it receives. The Trustees have noted however that the Government has provided a guarantee that in the event of an Academy closure, any outstanding LGPS liabilities would be met by the Department for Education.

## **STRATEGIC REPORT** (continued)

### **FINANCIAL REVIEW** (continued)

#### **Investment Policy**

Any investment must be deemed low risk. A balance between the rate of return and access to the funds is sought that will provide reasonably fast access to the reserves, as the education environment is turbulent and the Trust will need to ensure that it is able to respond appropriately to risks and opportunities.

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

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

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

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

##### Financial

The Academy Trust has considerable reliance on continued Government funding through the ESFA. In the period, approximately 97.3% (2020: 96.5%) of the Academy Trust's incoming revenue resources (excluding amounts transferred on from Academies joining the Trust in the year) was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

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

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

At the Balance Sheet date, the Academy Trust had no significant liabilities arising from trade creditors or trade debtors where there would be a significant effect on the Academy Trust's liquidity. The Academy Trust does have a long term debt owed to the ESFA of £714,000 which relates to the revenue deficit inherited from Atlantic Academy Portland upon joining the Trust on 1 September 2017 of £1,000,000 originally. The Trust has been making repayments to the ESFA of this debt since 1 September 2020.

## **STRATEGIC REPORT** (continued)

### **PRINCIPAL RISKS AND UNCERTAINTIES** (continued)

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

#### Failures in governance and/ or management

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

#### Reputational

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

#### Safeguarding and child protection

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

#### Staffing

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

#### Fraud and mismanagement of funds

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

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

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



## STRATEGIC REPORT (continued)

## STREAMLINED ENERGY AND CARBON REPORTING

<b>UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020</b>	
Energy consumption used to calculate emissions (kWh)	11,554,984
<u>Energy consumption break down (kWh) (optional):</u>	
• gas	7,735,102
• electricity	3,751,934
transport fuel	67,949
<b><u>Scope 1 - emissions in metric tonnes</u></b>	
Gas consumption	1,422
Owned transport – mini-buses	16
<u>Total Scope 1</u>	1,438
<b><u>Scope 2 emissions in metric tonnes CO<sub>2</sub>e</u></b>	
Purchased electricity	875
<b><u>Scope 3 emissions in metric tonnes CO<sub>2</sub>e</u></b> Business travel in employee owned vehicles	0.4
Total gross emissions in metric tonnes CO <sub>2</sub> e	2,313
NOR Census Data October 2020	8,638
<b>Intensity ratio</b> Tonnes CO <sub>2</sub> e per pupil	0.27
<p><b>Quantification and Reporting Methodology</b> We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.</p> <p><b>Intensity measurement</b> The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per pupil, the recommended ratio for the sector.</p> <p><b>Measures taken to improve energy efficiency</b> Aspirations are committed to adopting energy efficient technology; over the last twelve month we have upgraded 80% of the estate to energy efficient lighting, replaced 5% of our boilers for ultra- efficient alternatives and adapted highly efficient Infra-Red Radiant Heating with a decarbonisation co-efficiency of circa 70% within three of our buildings. We have also upgraded 80% of building management systems in order to control our M&amp;E infrastructure and allow us to condition the estate for the winter months. This also increases visibility of highly inefficient appliances which can be identified for planned replacement. Due to Covid 19 implications the 2020/21 balances are close to the 2019/20 balances.</p>	

## **STRATEGIC REPORT (continued)**

### **FUNDRAISING**

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

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

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

### **PLANS FOR FUTURE PERIODS**

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

The Academy Trust's plans for future periods are:

- ◆ To open Livingstone Academy West London and Livingstone Academy Bournemouth (LAB) in 2020/21. These are brand new schools which ultimately will be for up to 1,500 students aged 3-18 at Bournemouth and 1,200 students age 11-18 in West London. They are a partnership with Ian Livingstone CBE and will offer an innovative curriculum designed to give students the skills to succeed in the modern digital world. LAB opened in September 2021.
- ◆ To continue to grow the Trust slowly and only add free schools, converter Academies or existing Academies in areas around our existing districts to aid effective management by the Trust, maximise economies of scale and to provide career paths for our staff within the Trust.
- ◆ To continue to improve our Academies and to ensure that every Aspirations Academy continues to be judged at least Good by OFSTED's next inspection.

### **FUND HELD AS A CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

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

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

**STRATEGIC REPORT** (continued)

**DISCLOSURE OF INFORMATION TO AUDITORS**

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

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

**AUDITORS**

The auditors, Buzzacott LLP, have been appointed as Auditors. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' report incorporating a strategic report was approved by order of the members of the Board of Trustees on 15 December 2021 and signed on their behalf, by:



J Pomeroy

Chair of Trustees



S Kenning

Accounting Officer

## Governance statement Year to 31 August 2021

### Scope of responsibility

Trustees acknowledge we have overall responsibility for ensuring that Aspirations Academies Trust has effective and appropriate systems 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Managing Director, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Aspirations Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met six times during the year.

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

Trustee	Meetings attended	Out of a possible
S Kenning, Managing Director and Accounting Officer	6	6
C Bault (resigned March 2021)	3	3
R Bosch Sancho	6	6
V Daniels (resigned December 2020)	1	2
I Livingstone (resigned and became a member 2020)	0	2
P Kenning	6	6
T Baig (resigned November 2020)	1	1
M Brocklehurst	4	6
J Pomeroy, Chair	6	6
K Keating	3	4
S Riley	4	4
J Moohouse	3	4
A Moore	4	4

There were no new Trustees and 4 resignations on the Board of Trustees in 2020-21.

In 2020-21 the key work of the Trust Board was to support the Trust in continually improving our student outcomes at our Academies, to oversee the work towards the achievement of the five year plan, to professionalise governance and to ensure that the Trust achieves its in-year budget reduction strategy.

The quality of the data used by the Board in 2020-21 was considered to be fit for purpose.

**Governance** (continued)

The Board met six times in 2020/21 which included 2 extraordinary meetings to specifically discuss Academies opening during the pandemic. It has maintained effective oversight of funds by delegating certain areas to a sub-committee and engaging with the Trust Executive between meetings. The Board was also supported by the Audit, Risk & Finance Committee. The Committee, which also has delegated powers, met six times in 2020/21. There were also meetings of the Executive Operational Board. This committee is made up of all the Senior Management Team of the Trust including the Managing Director, Deputy Managing director, Regional CEO's, Director of Finance, Director of HR and Director of Estates. It meets six times a year however during the first lockdown there were weekly meetings to specifically discuss the response and planning to Covid-19.

The board has been effective in the execution of its duties as assigned by the Trustees.

The Trustee intends to conduct its next self-evaluation or external review of governance within the coming academic year.

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

**Accountability**

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

**Governance** (continued)

**Accountability** (continued)

8. Considering internal audit/RO reports, including value-for-money reports and the arrangements for the implementation of any recommendations.
9. Reviewing the operation of the Aspirations code of practice for Directors and staff in relation to financial matters.
10. Considering the Aspirations approach to risk management and advising the Trust Board on key risks to Aspirations.
11. Reviewing due diligence in accordance with the ESFA guidance on due diligence in Academies and maintained schools, best practice for Governing Bodies of maintained schools, local authorities and Academy Trusts, and ensuring that sufficient assurance is provided to allow the Trust Board to sign off on new Academy projects.
12. Undertaking any task as asked to do so by the Board of Trustees.

**Compliance**

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

**Evaluation**

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

Attendance during the year at meetings was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
C Bault (Resigned 10/03/2021)	3	3
R Bosch Sancho	6	6
V Daniels (Resigned 14/12/2020)	2	2
J Pomeroy	6	6
A Moore	2	2
N Farahani (Notified April 2021)	1	1

The Managing Director, Deputy Managing Director, Director of Finance and Director of HR & Compliance also attended meetings of the Committee as advisors without voting rights.

**Review of Value for Money**

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during the academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available.

**Review of Value for Money** (continued)

The Accounting Officer for the Academy Trust has delivered and improved value for money during the period as follows:

The Managing Director has worked with the Principals and Finance Director to compare and evaluate the Academy budgets, review spending and improve value for money across different budget areas.

Covid 19 has impacted on the budgets in that further investment in Information Technology to cater for remote learning and adequate cyber security has been undertaken. Additionally, the energy and building cleaning budgets were also impacted as the Trust had to adhere to government guidance on ventilation and cleanliness while keeping the buildings warm.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place within the Aspirations Academies Trust for the period from 1 September 2020 to 31 August 2021 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 it believes 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 fit-for-purpose formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period from 1 September 2020 to 31 August 2021 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 financial forecast with periodic financial reports which are reviewed and agreed by the Board of Trustees;
- ◆ Regular reviews by the Executive Operational Board 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

**The risk and control framework** (continued)

◆ Identification and management of risks

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

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included:

- ◆ Evaluating the suitability of, and level of compliance with, financial and other controls. This includes assessing whether procedures are designed effectively and efficiently and checking transactions to confirm whether agreed procedures have been followed;
- ◆ Offering advice and insight to the board on how to address weaknesses in financial and other controls, acting as catalyst for improvement, but without diluting management's responsibility for day to day running of the Trust;
- ◆ Ensuring all categories of risk are adequately identified, reported and managed.

The auditor reports to the Board of Trustees through the Audit, Risk and Finance Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal auditor delivered their schedule of work as planned and no material issues were identified as a result of their work.

**Review of effectiveness**

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

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

The Accounting Officer has been advised of the implications of the results of their review of the system of internal control by the risk and audit committee and a plan to address weakness and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 15 December 2021 and signed on their behalf by:



J Pomeroy  
Chair of Trustees



S Kenning  
Accounting Officer




## Statement of regularity, propriety and compliance Year to 31 August 2021

As Accounting Officer of Aspirations Academies Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and 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 2020.

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 2020.

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



S Kenning  
Accounting Officer

Date: 15th December 2021

## Statement of Trustees' responsibilities Year to 31 August 2021

The trustees (who are also the directors of Aspirations Academy Trust for the purposes of company law) are responsible for preparing the Trustees' report (including the strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities SORP FRS 102 and the Academies Accounts Direction 2020 to 2021;
- ◆ make judgements and accounting estimates that are reasonable and prudent;
- ◆ state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

Approved by order of the members of the Board of Trustees on 15 December 2021 and signed on its behalf by:



J Pomeroy  
Chair of Trustees

**Independent auditor's report to the members of Aspirations Academies Trust**

**Opinion**

We have audited the financial statements of Aspirations Academies Trust (the 'charitable company') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, 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), 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) (the Charities SORP 2019) and the Academies Accounts Direction 2020 to 2021.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its income and expenditure, for the period 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 2019 and Academies Accounts Direction 2020 to 2021.

**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 financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements 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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

**Conclusions relating to going concern** (continued)

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**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, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

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

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

**Matters on which we are required to report by exception** (continued)

- ◆ we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;

**Auditor's responsibilities for the audit of the financial statements** (continued)

- ◆ we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP FRS 102, the Academies Accounts Direction 2020 to 2021, the Academies Financial Handbook 2020, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of trustees' meetings and papers provided to the trustees
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;

**Auditor's responsibilities for the audit of the financial statements** (continued)

- ◆ reviewing the minutes of trustees' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**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.

*Buzzacott LLP*

22.12.2021

Hugh Swainson (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

**Independent reporting accountant's assurance report on regularity to Aspirations Academy Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 14 June 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Aspirations Academy Trust during the period from 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Aspirations Academy Trust's Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Aspirations Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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.



**Approach** (continued)

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 work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

**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 from 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Buzzacott LLP*

22.12.2021  
Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

**Statement of financial activities (including income and expenditure account)**  
Year to 31 August 2021

	Notes	Unrestricted general funds £'000	Restricted general funds £'000	Restricted fixed assets fund £'000	<b>2021 Total funds £'000</b>	2020 Total funds £'000
<b>Income from:</b>						
Donations and capital grants:	1	40	—	1,667	<b>1,707</b>	2,459
.Net assets transferred from Academies joining the Trust	19	—	—	6,649	<b>6,649</b>	6,935
Charitable activities						
.Funding for the academy trust's educational operations	2	378	52,392	—	<b>52,770</b>	51,318
.Teaching schools	20	—	40	—	<b>40</b>	39
Other trading activities	3	1,095	—	—	<b>1,095</b>	1,316
Investments	4	1	—	—	<b>1</b>	6
<b>Total</b>		<b>1,514</b>	<b>52,432</b>	<b>8,316</b>	<b>62,262</b>	<b>62,073</b>
<b>Expenditure on:</b>						
Raising funds	5	674	—	—	<b>674</b>	586
Charitable activities:						
Academy trust educational operations	6	551	54,409	4,147	<b>59,107</b>	59,420
Teaching schools		—	40	—	<b>40</b>	39
<b>Total</b>		<b>1,225</b>	<b>54,449</b>	<b>4,147</b>	<b>59,821</b>	<b>60,045</b>
Net assets transferred into the Trust		—	—	—	—	218
<b>Net income/(expenditure)</b>		<b>289</b>	<b>(2,017)</b>	<b>4,169</b>	<b>2,441</b>	<b>2,244</b>
Transfers between funds	15	—	195	(195)	—	—
<b>Other recognised gains/(losses)</b>						
Actuarial losses on defined benefit pension schemes	18	—	(4,296)	—	<b>(4,296)</b>	(3,694)
<b>Net movement in funds</b>		<b>289</b>	<b>(6,118)</b>	<b>3,974</b>	<b>(1,855)</b>	<b>(1,449)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		1,871	(35,849)	123,497	<b>89,519</b>	90,968
<b>Total funds carried forward</b>		<b>2,160</b>	<b>(41,967)</b>	<b>127,471</b>	<b>87,664</b>	<b>89,519</b>

All of the Trust's activities derived from continuing operations during the above two financial periods.

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

The notes on pages 43 to 64 form part of these financial statements.

**Balance Sheet** Year to 31 August 2021

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
<b>Fixed assets</b>					
Tangible assets	11		<b>126,839</b>		122,411
<b>Current assets</b>					
Debtors	12	<b>2,535</b>		2,536	
Cash at bank and in hand		<b>4,728</b>		4,245	
		<b>7,263</b>		<b>6,781</b>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	<b>(4,090)</b>		(3,919)	
<b>Net current assets</b>			<b>3,173</b>		2,862
<b>Total assets less current liabilities</b>			<b>130,012</b>		125,273
Creditors: amounts falling due after more than one year	14		<b>(714)</b>		(857)
<b>Net assets excluding pension liability</b>			<b>129,298</b>		124,416
Defined benefit pension scheme liability	18		<b>(41,634)</b>		(34,897)
			<b>87,664</b>		<b>89,519</b>
<b>Restricted funds:</b>					
Fixed asset funds	15	<b>127,471</b>		123,497	
Restricted income funds	15	<b>(333)</b>		(952)	
Pension reserve	15	<b>(41,634)</b>		(34,897)	
<b>Total restricted funds</b>	15	<b>85,504</b>		<b>87,648</b>	
<b>Unrestricted income funds</b>					
General fund	15		<b>2,160</b>		1,871
<b>TOTAL FUNDS</b>			<b>87,664</b>		<b>89,519</b>

The financial statements on page 32 to 64 were approved by the Board of Trustees and authorised for issue on 15 December 2021 and are signed on their behalf by:

J Pomeroy  
Chair of Trustees

Aspirations Academy Trust  
Company Limited by Guarantee  
Registration Number: 07867577 (England and Wales)

**Statement of cash flows** Year to 31 August 2021

		2021 £'000	2020 £'000
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	A	881	(713)
<b>Cash flows from investing activities</b>			
	C	(258)	1,156
<b>Cash flows from financing activities</b>			
	B	(140)	—
<b>Change in cash and cash equivalents in the year</b>		<b>483</b>	443
<b>Cash and cash equivalents at 1 September 2020</b>		<b>4,245</b>	3,802
<b>Cash and cash equivalents at 31 August 2021</b>		<b>4,728</b>	4,245

**A Reconciliation of net income to net cash flow provided by (used in) operating activities**

		2021 £'000	2020 £'000
Net income for the reporting period (as per the statement of financial activities)		2,441	2,244
Adjusted for:			
Depreciation charges		4,147	3,510
Capital grants from DfE and other capital income		(1,667)	(2,336)
Interest receivable		(1)	(6)
Past service cost		—	73
Defined benefit pension scheme cost less contributions payable		1,867	2,040
Defined benefit pension scheme finance cost		574	529
Decrease in stocks		—	3
Decrease (increase) in debtors		1	(785)
Increase in creditors		168	1,166
Net assets transferred from Academies joining the Trust		(6,649)	4,930
Cash transferred from academies joining the Trust		—	(33)
Net assets transferred from the local authority joining the Trust		—	(11,831)
Net assets transferred into the Trust		—	(218)
<b>Net cash provided by / (used in) Operating Activities</b>		<b>881</b>	<b>(713)</b>

**B Cash flows from financing activities**

		2021 £'000	2020 £'000
Repayments of borrowing		(140)	—
<b>Net cash used in Financing Activities</b>		<b>(140)</b>	—

**Statement of cash flows** Year to 31 August 2021

**C Cash flows from investing activities**

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Dividends, interest and rents from investments	<b>1</b>	6
Purchase of tangible fixed assets	<b>(1,926)</b>	(1,219)
Capital grants from DfE/ESFA	<b>1,667</b>	2,336
Capital funding received from sponsors and others	<b>—</b>	33
<b>Net cash (used in) / provided by Operating Activities</b>	<b>(258)</b>	1,156

**D Analysis of cash and cash equivalents**

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Cash in hand and at bank	<b>4,728</b>	4,245
<b>Total cash and cash equivalents</b>	<b>4,728</b>	4,245

## **Principal accounting policies** Year to 31 August 2021

### **General information**

Aspirations Academy Trust is a charitable company (the 'Academy Trust'), incorporated in England and Wales. The address of its principal place of business is the same as that of its registered office given on page 1 and the nature of its operations are set out in the Trustees' report.

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

### **Basis of preparation**

The financial statements of the Academy Trust 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 financial statements 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Aspirations Academy Trust meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest £1,000, except where otherwise indicated.

### **Going concern**

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

In making their assessment, the trustees have considered the current and potential future impact of the Covid-19 pandemic on the operations, activities and finances of the Academy Trust.

**Income**

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

**Grants**

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

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

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

**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 at fair value of the consideration received or receivable in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

***Donated fixed assets (excluding transfers on conversion/into the Academy Trust)***

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

**Transfer on conversion**

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as transfer on conversion within donations and capital grant income to the net assets received.

**Transfer of existing academies into the academy trust**

Where assets and liabilities are received on the transfer of an existing academy into the Academy Trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised for the transfer of an existing academy into the Academy Trust within Donations and capital grant income to the net assets acquired.

**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 expenditure is inclusive of irrecoverable VAT.

***Expenditure on raising funds***

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

***Charitable activities***

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

**Tangible fixed assets and depreciation**

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs or repairs and maintenance are charged to the Statement of Financial Activities as incurred.



**Tangible fixed assets and depreciation** (continued)

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

◆ Freehold buildings	2% straight line
◆ Long leasehold buildings	2% straight line
◆ Computer equipment	25% straight line
◆ Fixtures, fittings and equipment	10% straight line
◆ Motor vehicles	25% straight line

Land is not depreciated. Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

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

**Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**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.

**Leased assets**

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

### **Financial instruments**

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

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

### **Taxation**

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

### **Pensions benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

**Pensions benefits** (continued)

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

**Fund accounting**

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

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

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

**Employment benefits**

Short-term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render services to the Academy Trust. The cost of any unused holiday entitlement the Academy Trust expects to pay in future periods is recognised in the period the employees' services are rendered.

**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 areas of judgement** (continued)

***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.

*Local Government Pension Scheme*

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

***Critical areas of judgement***

There have been no judgements made in the preparation of these financial statements which are considered to have had a significant impact.

## 1 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2021 Total £'000
Net assets transferred from Academies joining the Trust	—	—	6,649	6,649
Capital grants	—	—	1,667	1,667
Other donations	40	—	—	40
<b>Total 2021</b>	<b>40</b>	<b>—</b>	<b>8,316</b>	<b>8,356</b>

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2020 Total £'000
Net assets transferred from Academies joining the Trust	5	(4,930)	11,860	6,935
Donations	123	—	—	123
Capital grants	—	—	2,336	2,336
<b>Total 2020</b>	<b>128</b>	<b>(4,930)</b>	<b>14,196</b>	<b>9,394</b>

## 2 Funding for the Academy Trust's Education

	Unrestricted funds £'000	Restricted funds £'000	2021 Total £'000	2020* Total £'000
<b>DfE/ESFA grants</b>				
General Annual Grant	—	44,524	44,524	42,729
Other DfE/ESFA grants				
. UIFSM	—	272	272	507
. Pupil Premium	—	2,665	2,665	2,938
. Others	—	3,061	3,061	3,137
Other DfE Group grants				
. Start up Grants	—	100	100	251
	—	50,622	50,622	49,562
<b>Other government grants</b>				
Local authority grants	—	884	884	891
	—	884	884	891
Other income from academy trust's educational operations	—	143	143	472
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up premium	—	544	544	—
Other DfE/ESFA COVID-19 funding	—	199	199	83
Nursery income	378	—	378	310
<b>Total 2021</b>	<b>378</b>	<b>52,392</b>	<b>52,770</b>	<b>51,318</b>

**2 Funding for the Academy Trust's Education** (continued)

The trust received £544,000 of funding for catch-up premium and costs incurred in respect of this funding totalled £544,000.

\*Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the Academy Trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>2020 Total £'000</i>
<i>DfE/ESFA grants</i>			
<i>General Annual Grant</i>	—	42,729	42,729
<i>Other DfE/ESFA grants</i>			
<i>. UIFSM</i>	507	—	507
<i>. Pupil premium</i>	—	2,938	2,938
<i>. Others</i>	—	3,137	3,137
<i>Other DfE Group grants</i>			
<i>. Start up Grants</i>	—	251	251
	<u>507</u>	<u>48,548</u>	<u>49,055</u>
<i>Other government grants</i>			
<i>Local authority grants</i>	—	891	891
	<u>—</u>	<u>891</u>	<u>891</u>
<i>Other funding</i>			
<i>. Internal catering income</i>	468	—	468
<i>. Sales to students</i>	4	—	4
	<u>472</u>	<u>—</u>	<u>472</u>
<i>COVID-19 additional funding (DfE/ESFA)</i>			
<i>Other DfE/ESFA COVID-19 funding</i>	—	83	83
<i>Nursery income</i>	307	3	310
<i>Total 2020</i>	<u>1,286</u>	<u>50,032</u>	<u>51,318</u>

**Notes to the financial statements** Year to 31 August 2021

**3 Other trading activities**

	Unrestricted funds £'000	Restricted funds £'000	<b>2021 Total £'000</b>	2020 Total £'000
Hire of facilities	260	—	<b>260</b>	258
Uniform, exam fees and stationery sales	25	—	<b>25</b>	35
Other income	792	—	<b>792</b>	867
Solar panels	18	—	<b>18</b>	140
Leisure facilities	—	—	<b>—</b>	16
<b>2021 Total funds</b>	<b>1,095</b>	<b>—</b>	<b>1,095</b>	<b>1,316</b>

All prior year amounts relate to unrestricted funds.

**4 Investment income**

	Unrestricted funds £'000	Restricted funds £'000	<b>2021 Total £'000</b>	2020 Total £'000
Interest from short term deposits	1	—	<b>1</b>	6

All prior year amounts relate to unrestricted funds.

**5 Expenditure**

	Staff costs £'000	Non pay expenditure		2021 Total funds £'000
		Premises £'000	Other costs £'000	
Expenditure on raising funds				
. Direct costs	—	—	50	<b>50</b>
. Allocated support costs	279	152	193	<b>624</b>
<b>Academy's educational operations:</b>				
. Direct costs	37,077	3,565	2,090	<b>42,732</b>
. Allocated support costs	6,981	4,375	4,794	<b>16,150</b>
<b>Nursery:</b>				
Direct costs	224	—	1	<b>225</b>
<b>Teaching school</b>	—	—	40	<b>40</b>
<b>Total 2021</b>	<b>44,561</b>	<b>8,092</b>	<b>7,168</b>	<b>59,821</b>

	Staff costs £'000	Non pay expenditure		2020 Total funds £'000
		Premises £'000	Other costs £'000	
Expenditure on raising funds				
. Direct costs	93	—	493	586
Academy's educational operations:				
. Direct costs	37,195	3,017	5,029	45,241
. Allocated support costs	6,550	4,437	2,967	13,954
Nursery:				
Direct costs	226	—	—	226
Teaching school	—	—	39	39
<b>Total 2020</b>	<b>44,064</b>	<b>7,454</b>	<b>8,527</b>	<b>60,045</b>

	2021 £'000	2020 £'000
<b>Net income (expenditure) for the year includes:</b>		
Operating lease rentals	<b>312</b>	396
Depreciation	<b>4,147</b>	3,510
Fees payable to auditor for		
. Audit	<b>28</b>	30
. Other services	<b>9</b>	14



## 6 Expenditure on educational operations

	<b>2021 Total £'000</b>	2020 Total £'000
Direct costs – educational operations	<b>42,732</b>	45,241
Support costs – educational operations	<b>16,150</b>	13,954
Direct costs – nursery operations	<b>225</b>	226
<b>Total 2021</b>	<b>59,107</b>	59,421

	<b>2021 Total funds £'000</b>	2020 Total funds £'000
<b>Analysis of support costs</b>		
Support staff costs	<b>6,981</b>	6,734
Depreciation	<b>582</b>	493
Technology costs	<b>1,638</b>	323
Premises costs	<b>3,793</b>	4,213
Legal costs – other	—	68
Other support costs	<b>3,088</b>	2,036
Governance costs	<b>68</b>	87
<b>Total 2021</b>	<b>16,150</b>	13,954

## 7 Staff

### (a) Staff costs

Staff costs during the year were:

	<b>2021 Total funds £'000</b>	2020 Total funds £'000
Wages and salaries	<b>32,144</b>	31,534
Social security costs	<b>3,023</b>	2,885
Pension costs	<b>8,805</b>	8,700
	<b>43,972</b>	43,119
Agency staff costs	<b>204</b>	463
Staff restructuring costs	<b>161</b>	482
<b>Total staff expenditure</b>	<b>44,337</b>	44,064

7 Staff (continued)

Staff restructuring costs comprise:

	2021 Total funds £'000	2020 Total funds £'000
Severance payments	60	246
Redundancy payments	101	232
Other restructuring costs	—	4
	<b>161</b>	<b>482</b>

**(b) Non statutory/non-contractual staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £60,000 (2020: £170,000). Individually the payments were: £4,000, £6,000, £11,000, £17,000, £6,000 and £15,000.

**(c) Staff numbers**

The average numbers of persons (including senior management team) employed by the Academy Trust during the period expressed as average headcount and as full time equivalents was as follows.

<b>Charitable activities</b>	2021 No.	2020 No.
Teachers	554	589
Administration and support	691	589
Management	20	26
	<b>1,265</b>	<b>1,204</b>

<b>Charitable activities</b>	2021 FTE.	2020 FTE.
Teachers	548	557
Administration and support	543	553
Management	20	20
	<b>1,111</b>	<b>1,130</b>

**7 Staff (continued)**

**(d) Higher paid staff**

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

	2021 No.	2020 No.
£60,001 - £70,000	24	26
£70,001 - £80,000	11	5
£80,001 - £90,000	6	6
£90,001 - £100,000	5	3
£100,001 - £110,000	1	4
£110,001 - £120,000	5	2
£120,001 - £130,000	2	1
£130,001 - £140,000	1	—
£190,001 - £200,000	—	1
£200,001 - £210,000	1	—
£230,001 - £240,000	—	1
£250,001 - £260,000	1	—

**(e) Key management personnel**

The key management personnel of the Academy Trust comprise the Trustees and the senior management team roles as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by key management personnel for their services to the Academy Trust was £997,000 (2020: £880,000).

**8 Central services**

The Academy Trust operates a GAG Pooling Policy and as such GAG income is controlled at the central level and allocated to schools to address approved cost and resource requirements as well as support Trust wide school improvement initiatives.

**9 Trustees' remuneration and expenses**

One or more trustees has been paid remuneration or has received other benefits from an employment with the multi academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows: S Kenning: Remuneration £250,000 - £255,000 (2020: £225,000 - £230,000), Employer's pension contributions £nil (2020: £nil - £5,000), Employee benefits £nil (2020: £5,000-£10,000), P Kenning: Remuneration £205,000 - £210,000 (2020: £185,000 - £190,000), Employer's pension contributions £45,000 - £50,000 (2020: £40,000 - £45,000), Employee Benefits £nil (2020: £5,000 - £10,000).

During the year ended 31 August 2021, expenses totalling £nil were reimbursed or paid directly to no trustees (2020: £1,044 to 3 Trustees).

**10 Trustees' and officers' insurance**

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.

## 11 Tangible fixed assets

	Freehold land and buildings £'000	Long leasehold land and buildings £'000	Assets under construction £'000	Fixtures, fittings and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>							
At 1 September 2020	55,941	75,368	—	5,703	5,131	68	142,211
Additions	—	649	821	17	439	—	1,926
Assets donated on conversion to Academy	6,649	—	—	—	—	—	6,649
At 31 August 2021	<b>62,590</b>	<b>76,017</b>	<b>821</b>	<b>5,720</b>	<b>5,570</b>	<b>68</b>	<b>150,786</b>
<b>Depreciation</b>							
At 1 September 2020	3,664	7,973	—	3,243	4,855	65	19,800
Charge for the year	632	2,393	—	568	551	3	4,147
At 31 August 2021	<b>4,296</b>	<b>10,366</b>	<b>—</b>	<b>3,811</b>	<b>5,406</b>	<b>68</b>	<b>23,947</b>
<b>Net book value</b>							
At 31 August 2021	<b>58,294</b>	<b>65,651</b>	<b>821</b>	<b>1,909</b>	<b>164</b>	<b>—</b>	<b>126,839</b>
At 31 August 2020	52,277	67,395	—	2,460	276	3	122,411

### Buildings transferred upon conversion

Budmouth School converted to Academy Trust status and joined the Trust during 2019/20. The estimated value of the buildings transferred on conversion was included within tangible fixed assets. During the year, a valuation of the land and buildings was completed and this has resulted in an additional £6,649,000 being recognised as a donation on conversion. Further details of this transfer are included in note 19.

## 12 Debtors

	2021 £'000	2020 £'000
Trade debtors	580	65
Other debtors	—	18
Prepayments and accrued income	1,504	2,080
VAT recoverable	451	373
	<b>2,535</b>	<b>2,536</b>

## 13 Creditors: Amounts falling due within one year

	2021 £'000	2020 £'000
ESFA loans	146	143
Trade creditors	828	604
Other taxation and social security	805	781
Other creditors	856	854
Accruals and deferred income	1,455	1,536
	<b>4,090</b>	<b>3,919</b>

The ESFA loan relates to the revenue deficit inherited from Atlantic Academy upon it joining the Trust on 1 September 2017.

	2021 £'000	2020 £'000
Deferred income at 1 September 2020	757	415
Released from previous years	(757)	757
Resources deferred in the year	842	(415)
<b>Deferred income at 31 August 2021</b>	<b>842</b>	<b>757</b>

At the Balance Sheet date the Academy Trust was holding funds received in advanced for £168,747 (2020: £188,681) to provide Universal Infant Free Schools Meals in 2021/22 year. £52,491 (2020: £158,988) for rates reimbursement funding for the 2020/21 year, and £620,438 (2020: £409,518) of other items of income and grant funding that relates to the 2021/22 year.

**14 Creditors: Amounts falling due after more than one year**

	<b>2021</b>	2020
	<b>£'000</b>	£'000
ESFA loan	<b>714</b>	857

The ESFA loan relates to the revenue direct inherited from Atlantic Academy upon it joining the Trust on 1 September 2017. The Trust commenced making repayments to the ESFA from 1 September 2020.

**Analysis of loans**

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Wholly repayable within five years	<b>857</b>	1,000
Less: included in current liabilities	<b>(143)</b>	(143)
Amounts included above	<b>714</b>	857

**Loan maturity**

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Debt due in one year or less	<b>143</b>	143
In more than one year but not more than two years	<b>143</b>	143
In more than two years but not more than five years	<b>428</b>	429
In more than five years	<b>143</b>	285

## 15 Funds

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	48	44,524	(44,243)	195	<b>524</b>
Pupil Premium	—	2,665	(2,665)	—	—
UIFSM	—	272	(272)	—	—
Catch-up premium	—	544	(544)	—	—
Start Up Grants	—	100	(100)	—	—
Other DfE/ESFA COVID-19 funding	—	199	(199)	—	—
Other grants	(1,000)	3,101	(2,958)	—	<b>(857)</b>
Local authority grants	—	884	(884)	—	—
Other restricted funds	—	143	(143)	—	—
Pension reserve	(34,897)	—	(2,441)	(4,296)	<b>(41,634)</b>
	<u>(35,849)</u>	<u>52,432</u>	<u>(54,449)</u>	<u>(4,101)</u>	<u><b>(41,967)</b></u>
<b>Restricted fixed assets fund</b>					
DfE Capital Grants	1,086	1,667	—	(2,121)	<b>632</b>
Fixed assets	122,411	6,649	(4,147)	1,926	<b>126,839</b>
	<u>123,497</u>	<u>8,316</u>	<u>(4,147)</u>	<u>(195)</u>	<u><b>127,471</b></u>
<b>Total restricted funds</b>	<u>87,648</u>	<u>60,748</u>	<u>(58,596)</u>	<u>(4,296)</u>	<u><b>85,504</b></u>
<b>Unrestricted funds</b>					
General funds	1,871	1,514	(1,225)	—	<b>2,160</b>
Total unrestricted funds	<u>1,871</u>	<u>1,514</u>	<u>(1,225)</u>	<u>—</u>	<u><b>2,160</b></u>
<b>Total funds</b>	<u>89,519</u>	<u>62,262</u>	<u>(59,821)</u>	<u>(4,296)</u>	<u><b>87,664</b></u>

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

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

Other EFA Grants – Income which has been received for specific purposes.

Start up Grant – This represents one off funding received from the ESFA to contribute to the cost of converting from a school to an Academy.

Other government grants – Income which has been received for specific purposes.

DfE Capital Grants – This represents funding from the DfE/ESFA which has been received for the maintenance and purchase of the schools' assets.

Fixed assets – This represents the buildings and equipment donated to the Trust from the Local Authority or conversion to an Academy Trust or assets purchased using capital grants provided by the DfE/ESFA.



**15 Funds (continued)**

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

	<i>Balance at 1 September 2019 £'000</i>	<i>Income £'000</i>	<i>Expenditure £'000</i>	<i>Gains, losses and transfers £'000</i>	<i>Balance at 31 August 2020 £'000</i>
<i>Restricted general funds</i>					
General Annual Grant (GAG)	668	43,011	(43,851)	220	48
Other DfE / EFA grants	—	5,793	(5,793)	—	—
Other government grants	(1,000)	1,016	(1,034)	18	(1,000)
Start up grants	474	251	(725)	—	—
Pension reserve	(23,849)	(4,930)	(2,642)	(3,476)	(34,897)
<b>Total restricted funds</b>	<b>(23,707)</b>	<b>45,141</b>	<b>(54,045)</b>	<b>(3,238)</b>	<b>(35,849)</b>
<i>Restricted fixed assets fund</i>					
DfE Capital Grants	63	2,336	—	(1,313)	1,086
Fixed assets	112,871	11,860	(3,510)	1,190	122,411
	<b>112,934</b>	<b>14,196</b>	<b>(3,510)</b>	<b>(123)</b>	<b>123,497</b>
<i>Unrestricted funds</i>					
General funds	1,740	2,736	(2,490)	(115)	1,871
<b>Total unrestricted funds</b>	<b>1,740</b>	<b>2,736</b>	<b>(2,490)</b>	<b>(115)</b>	<b>1,871</b>
<b>Total funds</b>	<b>90,967</b>	<b>62,073</b>	<b>(60,045)</b>	<b>(3,476)</b>	<b>89,519</b>

**Other Information**

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward 31 August 2021.

**Notes to the financial statements** Year to 31 August 2021

**15 Funds (continued)**

Total funds analysis by Academy:

	2021 Total £'000	<b>2020 Total £'000</b>
Atlantic Academy	—	(1,000)
Bovington Academy	—	16
Budmouth Academy	—	—
Dashwood Banbury Academy	—	10
Harriers Banbury Academy	—	37
Jewell Academy Bournemouth	—	240
Magna Academy Poole	—	153
Oak Hill Academy West London	—	135
Ocean Academy Poole	—	102
Oriel Academy West London	—	11
Park Academy West London	—	127
Rivers Academy West London	—	628
Studio Space Banbury	—	41
Studio Space West London	—	—
Wykham Park Academy	—	—
Central trust	<b>1,827</b>	419
Total before fixed assets and pension reserve	<b>1,827</b>	919
Restricted fixed asset fund	<b>127,471</b>	123,497
Pension reserve	<b>(41,634)</b>	(34,897)
<b>TOTAL</b>	<b>87,664</b>	89,519

During the year, the Trust has implemented a reserve pooling policy. All unspent funds are now held centrally by the Trust.

**Notes to the financial statements** Year to 31 August 2021

**15 Funds (continued)**

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

	Teaching and education support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	2021 Total £'000	2020 Total £'000
Atlantic Academy	2,769	517	169	507	<b>3,962</b>	4,483
Bovington Academy	1,022	143	45	115	<b>1,325</b>	1,582
Budmouth Academy	6,676	911	345	669	<b>8,601</b>	9,218
Dashwood Banbury Academy	1,421	182	85	232	<b>1,920</b>	1,809
Harriers Banbury Academy	1,267	148	71	281	<b>1,767</b>	1,831
Jewell Academy Bournemouth	1,502	87	119	207	<b>1,915</b>	1,867
Magna Academy Poole	3,665	281	294	633	<b>4,873</b>	4,716
Oak Hill Academy West London	1,678	283	71	334	<b>2,366</b>	2,350
Ocean Academy Poole	1,087	104	61	177	<b>1,429</b>	1,476
Oriel Academy West London	1,394	324	58	247	<b>2,023</b>	2,125
Park Academy West London	3,218	395	221	635	<b>4,469</b>	4,467
Rivers Academy West London	4,989	325	370	854	<b>6,538</b>	6,385
Studio Space Banbury	279	20	22	117	<b>438</b>	498
Studio Space West London	960	118	68	149	<b>1,295</b>	1,419
Wykham Park Academy	3,692	409	218	653	<b>4,972</b>	5,175
Central trust	1,275	3,197	97	3,212	<b>7,781</b>	4,491
<b>Total net assets</b>	<b>36,894</b>	<b>7,444</b>	<b>2,314</b>	<b>9,022</b>	<b>55,674</b>	<b>53,892</b>

**16 Analysis of net assets between funds**

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2021 £'000
Tangible fixed assets	—	—	126,839	<b>126,839</b>
Current assets	2,160	4,471	632	<b>7,263</b>
Current liabilities	—	(4,090)	—	<b>(4,090)</b>
Non-current liabilities	—	(714)	—	<b>(714)</b>
Defined benefit pension liability	—	(41,634)	—	<b>(41,634)</b>
<b>Total net assets</b>	<b>2,160</b>	<b>(41,967)</b>	<b>127,471</b>	<b>87,664</b>

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2020 £'000
Tangible fixed assets	—	—	122,411	122,411
Current assets	1,873	3,652	1,255	6,781
Creditors due within one year	(3)	(3,747)	(169)	(3,919)
Creditors due in more than one year	—	(857)	—	(857)
Provisions for liabilities and charges	—	(34,897)	—	(34,897)
<b>Total net assets</b>	<b>1,871</b>	<b>(35,849)</b>	<b>123,497</b>	<b>89,519</b>

**17 Commitments under operating leases**

At 31 August 2021 the total of the Multi Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £'000	2020 £'000
Amounts due within one year	<b>276</b>	152
Amounts due between one and five years	<b>351</b>	371
Amounts due after five years	<b>115</b>	183
	<b>742</b>	707

## 18 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. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £575,070 (2020: £762,494) were payable to the schemes at 31 August 2021 and are included within creditors.

### *Teachers' Pension Scheme*

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- ◆ employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- ◆ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and

**18 Pension and similar obligations (continued)**

**Valuation of the Teachers' Pension Scheme (continued)**

- ◆ the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £5,045,000 (2020: £4,814,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pension Scheme 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 (LGPS)**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions made were as follows:

	2021 £'000	2020 £'000
<b>Total contributions made</b>		
Employer's contributions	1,263	1,754
Employees' contributions	486	547
<b>Total contributions</b>	<b>1,749</b>	<b>2,301</b>

The agreed contribution rates for future years are between 10.6% to 23.0% for employers and 5.5% to 12.5% for employees depending on the specific LGPS fund.

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

**Principal Actuarial Assumptions**

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 August 2020 by a qualified independent actuary.

	2021 %	2020 %
Rate of increase in salaries	3.5	2.8
Rate of increase for pensions in payment	2.9	2.3
Discount rate for scheme liabilities	1.7	1.7
Inflation assumption (CPI)	2.9	2.3

**18 Pension and similar obligations (continued)**

***Principal Actuarial Assumptions (continued)***

The assumed life expectations on retirement age 65 are:

	<b>2021</b>	2020
<i>Retiring today</i>		
Males	<b>22.3</b>	22.2
Females	<b>24.5</b>	24.3
<i>Retiring in 20 years</i>		
Males	<b>23.4</b>	23.3
Females	<b>26.0</b>	25.7

The Academy Trust's share of the assets and liabilities in the scheme were:

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Equities	<b>18,712</b>	14,358
Gifts	<b>332</b>	—
Bonds	<b>4,057</b>	5,360
Property	<b>2,693</b>	2,251
Cash and other liquid assets	<b>770</b>	689
Other assets	<b>5,002</b>	2,906
<b>Total market value of assets</b>	<b>31,566</b>	25,564
<b>Present value of scheme liabilities</b>		
- Funded	<b>(73,200)</b>	(60,461)
Deficit in the scheme	<b>(41,634)</b>	(34,897)

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

	<b>2021</b>	2020
<b>Amounts recognised in statement of financial activities</b>	<b>£'000</b>	£'000
Current service cost	<b>3,115</b>	3,794
Past service cost	<b>17</b>	73
Interest income	<b>(427)</b>	(444)
Interest cost	<b>984</b>	973
Admin expenses	<b>15</b>	—
Total amount operating charge	<b>3,704</b>	4,396
Analysis of pension finance income/(costs)	<b>427</b>	444
Expected return on pension scheme assets	<b>(984)</b>	(973)
Interest on pension liabilities	<b>(557)</b>	(529)

**18 Pension and similar obligations (continued)**

***Principal Actuarial Assumptions (continued)***

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

<b>Changes in the present value of defined benefit obligations</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
At 1 September 2020	<b>60,461</b>	44,615
Transferred in on existing Academies joining the Trust	—	8,054
Transferred out on existing Academies leaving the Trust	—	(316)
Current service cost	<b>3,115</b>	3,794
Interest cost	<b>984</b>	973
Employee contributions	<b>486</b>	547
Actuarial losses	<b>8,954</b>	3,510
Benefits paid	<b>(817)</b>	(789)
Past service costs	<b>17</b>	73
<b>At 31 August 2021</b>	<b>73,200</b>	60,641

<b>Changes in the fair value of the Academy's share of scheme assets:</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
At 1 September 2020	<b>25,564</b>	20,766
Transferred in on existing Academies joining the Trust	—	3,124
Transferred out on existing Academies leaving the Trust	—	(98)
Interest income	<b>427</b>	453
Actuarial gains	<b>4,658</b>	(184)
Employer contributions	<b>1,263</b>	1,754
Employee contributions	<b>486</b>	547
Benefits paid	<b>(817)</b>	(789)
Administration expenses	<b>(15)</b>	(9)
<b>At 31 August 2021</b>	<b>31,566</b>	25,564

**19 Transfer from Local Authority on conversion**

During the year ended 31 August 2020, Budmouth School converted to Academy Trust status under the Academies Act 2010, the operations and assets and liabilities were transferred to the group for £nil consideration.

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



**19 Transfer from Local Authority on conversion (continued)**

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.

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2020 Total £'000
Tangible fixed assets				
. Freehold land and buildings	—	—	11,831	11,831
Current assets				
. Cash – representing surplus on LA funds	5	—	28	33
Non-current liabilities				
. Pension liability inherited	—	(4,930)	—	(4,930)
<b>Net assets / (liabilities)</b>	<b>5</b>	<b>(4,930)</b>	<b>11,859</b>	<b>6,934</b>

During the year ended 31 August 2021, a valuation of the land and buildings was completed and this has resulted in an additional £6,649,000 being recognised as a donation on conversion. The following table sets out the recognition in the statement of financial activities.

	Restricted fixed asset funds £'000	2021 Total £'000
Tangible fixed assets		
. Freehold land and buildings	6,649	<b>6,649</b>
<b>Net assets</b>	<b>6,649</b>	<b>6,649</b>

**20 Teaching School Trading Account**

	2021 Total £'000	2021 Total £'000	2020 Total £'000	2020 Total £'000
<b>Income</b>				
<b>Direct income</b>				
Teaching school income	40		39	
<b>Total income</b>		40		39
<b>Expenditure</b>				
<b>Direct expenditure</b>				
Direct grant expenditure	(40)		(39)	
<b>Total expenditure</b>		(40)		(39)
<b>Balance at 31 August</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

## 21 Agency Arrangements

The Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2021, the Trust received £103,035 and disbursed £151,666 from the fund. An amount of £35,369 is included in other creditors relating to undistributed funds that is repayable to ESFA. Comparatives for the accounting period ending 31 August 2020 were £80,887 received, £63,637 disbursed and £81,145 included in other creditors.

## 22 Analysis of changes in net debt

	At 1 September 2020 £'000	Cash flows £'000	Other non cash changes £'000	At 31 August 2020 £'000
Cash at bank and in hand	4,245	483	—	4,728
Debt due within 1 year	(143)	—	—	(143)
Debt due after 1 year	(857)	—	143	(714)
	<u>3,245</u>	<u>483</u>	<u>143</u>	<u>3,871</u>

## 23 Members' Liability

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

## 24 General information

Aspirations Academies Trust (Company Number: 07867577) is a company limited by guarantee, incorporated in England and Wales. The registered office is World Business Centre, 3 Newall Road, London Heathrow Airport, Hounslow, England, TW6 2TA.

## 25 Related Party Transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's Trust financial regulations and normal procurement procedures.

The following related party transactions took place in the year:

During the year, the Trust procured IT services from its subsidiary Aspirations Managed Services Limited of £Nil (2020: £214,162). These were procured at cost in accordance with the Academies Financial Handbook. At the year end the Trust owed the company £Nil (2020: £42,832).