Company Registration Number: 08330636 (England and Wales)

ASPIRE FREE SCHOOL ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

ASPIRE FREE SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2019

Members

P Collins
A Dickenson
C Hart
P Hanson (appointed 1 October 2018)
S Powell (appointed 1 October 2018)

Governors

J Bateman
P Collins, Chairman
A Dickenson (resigned 21 September 2018)
M Farmer (resigned 31 August 2019)
C Hart, Vice Chair
J Smith (appointed 29 March 2019)
S Stevenson, Accounting Officer
A Tarbuck (resigned 27 November 2018)
D Titteron
K Bramford
J Hart
H Jones (appointed 1 September 2018)
J Lewis
M Scriven

Company registered number

08330636

Company name

Aspire Free School Academy Trust

Principal and registered office

Bridgwater Road
Worcester
WR4 9FQ

Company secretary

Linda Bowles

Senior leadership team

S Stevenson, Head Teacher
B Blower, Deputy Head Teacher
L Bowles, Director of Operations
L Thomas, Director of Lifelong Learning
A Lloyd, Assistant Head Teacher (from 7 January 2019)
D Wood, Assistant Head Teacher (from 1 September 2018)

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2019

Advisers (continued)

Independent auditor

Crowe U.K. LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Bankers

Lloyds Bank plc
The Cross
Worcester
Hereford and Worcester
WR1 3PY

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2018 to 31 August 2019. The annual report serves the purposes of both a governors' report, and a directors' report under company law.

The Trust operates an Alternative Provision Academy for pupils aged 11 to 16 serving to accept pupils from schools within Worcester City, the county of Worcestershire and further afield if appropriate. Funded for 120 FTE pupils; during the year ending 31st August 2019 the Academy worked with and registered 162 young people.

Structure, Governance and Management

Constitution

The Aspire Free School Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum, Articles of Association and Funding Agreement are the primary governing documents of academy trust. The governors of The Aspire Free School Academy Trust are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as The Aspire Academy and was incorporated on 13th December 2012.

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

Members' Liability

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

Governors' Indemnities

During the period, an indemnity from the charitable company was available to the governors against liabilities that might be incurred by them in defending proceedings against them in respect of the affairs of the charitable company. The indemnity is subject to the provisions of the Companies Act 2006 and is set out in the Articles of Association.

Method of Recruitment and Appointment or Election of Governors

The Academy's Board of Governors is subject to retirement by rotation. Governors are eligible for re election at the meeting at which they retire. The governors to retire are those who have served the longest in office since their appointment or re election. New governors are recruited in accordance with the Articles of Association and 'A Guide to the Law for School Governors'. The term of office for any governor is 4 years, although this time limit does not apply to the Head Teacher.

Policies and Procedures Adopted for the Induction and Training of Governors

The Academy procures governor support services provided by Babcock Prime Education Services. Additional training is provided as required based on individual or collective need. External advice and support is commissioned where necessary.

Organisational Structure

The Board of Governors met four times during the period 1st September 2018 to 31st August 2019. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of committees and other groups. It receives reports, including polices, from its committees for adoption. It monitors the activities of the committees through the minutes of their meetings. The Board may from time to time establish working groups to perform specific tasks over a limited timescale.

The governors are responsible for setting general policy; adopting an annual improvement plan and budget; approving the statutory accounts; monitoring the Academy by the use of budgets and other data; and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

During the financial year two sub committees with delegated powers from the Board of Governors have met:

Finance & Human Resources met three times during the period and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management; compliance with reporting and regulatory requirements of reporting; drafting the annual budget, including setting staffing levels, all personnel issues and the annual review/recommendation of pay; and discussing all resource and premises issues, including health and safety.

Teaching & Learning met three times during the period and is responsible for monitoring, evaluation and review of Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment and examinations.

The following decisions are reserved to the full Board of Governors: to consider any proposals for changes to the status or constitution of the Academy and its committee structure; to appoint or remove the Chair and/or Vice Chair; to appoint the Head Teacher and Clerk to the Governors; to approve the annual School Improvement Plan, annual financial statements and the annual budget.

The Board of Governors have devolved responsibility for the day to day management of the Academy to the Head Teacher.

The Academy has a leadership structure which consists of the governors and Senior Leadership Team (SLT). The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Senior Leadership Team, as described in the Reference and Administrative Details on page 1, operates at an executive level, implementing the policies laid down by the governors and reporting back to them.

The Head Teacher, Director of Operations and Finance and Human Resources Committee are responsible for the authorisation of spending within agreed budgets. The Head Teacher is responsible for the appointment of staff and is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the Academy are the Senior Leadership Team. The pay and remuneration of members of the leadership team, and those staff who are directors/governors, is set following a system of performance management in accordance with the appropriate Performance Management Policy, which is reviewed annually. In the case of the Head Teacher, performance management is undertaken by an independent School Improvement Partner and the Chair of Governors. Remuneration budgets are set annually and all recommendations for salary increases are approved by the Finance & Human Resources Committee. The gross pay of the Senior Leadership Team and staff governors, for the period, including on costs was: £369,315.

Related Parties and Other Connected Charities and Organisations

During 2018/2019 the Academy had links to the following establishments, who commissioned pupil places:

Baxter College
Bewdley High School
Bishop Perowne C of E College
Blessed Edwards Oldcorne Catholic College
Catshill Middle School
Droitwich Spa High School
Dyson Perrins C of E Academy
Hanley Castle High School
Haringey Council
Ipsley Academy
North Birmingham Academy
North Bromsgrove High School
Nunnery Wood High School
Pershore High School
Prince Henry's High School
Ridgeway Academy
RSA Arrowvale
South Bromsgrove High School
St Augustine's High School
St Johns Middle School
St Nicholas Middle School
Stourport High School
The Chantry School
The De Montfort School
Trinity High School
Tudor Grange Academy, Redditch
Tudor Grange Academy, Worcester
Witton Middle School
Wolverley High School
Worcestershire Local Authority

The Academy has a business involvement to procure services from Worcester Warriors Community Foundation.

Trade Union Facility Time

The school employs no trade union officials and therefore had no time or costs spent on union activities during the year.

Fundraising

The Academy Trust does not carry out significant fundraising activities.

Objectives and Activities

Objects and Aims

The objects of the Aspire Free School Academy Trust are set out in the Company's Articles of Association.

The Board of Governors continue to set the Academy's strategic aims through the Academy's School Improvement Plan. These aims are monitored closely by the Board of Directors by way of Head Teacher and Senior Leadership Team reports and through the work of sub-committees.

Objectives, Strategies and Activities

The aims and objectives of the Academy are derived from its mission statement which is to "work with our community, local employers and providers and voluntary organisations so we can offer the very best opportunities for our students".

Our key aim is to provide an outstanding, educational learning experience for pupils, thereby enabling them to progress to further education, employment or training.

The objectives for the forthcoming year are outlined in the School Improvement Plan, but the headline priorities are to:

- Continue into year 3 of a five year strategic plan which will continue to create a world class alternative provision with an engaging curriculum, blending academic programmes with vocational pathways.
- Maintain the confidence levels of the commissioning schools and increase the level and quality of partnerships and collaborative working.
- Continue the improvement in attendance of pupils to school and to lessons.
- Deepen the evidence of strong progress for pupils across the curriculum.
- Continue to significantly improve the academic outcomes for pupils.
- Drive improvement in the quality of all teaching and learning and up skill all staff to achieve excellence through in-house training and development.
- Continue to improve the management of behaviour to impact positively on pupil behaviour and welfare using the ARBOR MIS to generate the evidence base.
- Continue to develop the therapeutic services of the academy in order to meet the needs of pupils more effectively.
- Increase the number of pupils sustaining destinations post 16 and to effectively monitor this for the 16 to 18 phase of past pupils.
- Successfully work towards and beyond the targets set out by Ofsted in May 2017 and be in a position to be graded as outstanding at the next inspection.

Public Benefit

In setting objectives and planning the Academy's activities, the Board of Governors have paid due regard to the published guidance from the Charity Commission regarding the principle of public benefit.

The Aspire Free School Academy Trust is fully committed to working in partnership with a variety of organisations to ensure that it is at the centre of its community and that it can access a wide range of services, advice and opportunities to support the education and outcomes for its students.

We value highly our relationship with the parents/carers of our students to ensure better outcomes for them. We have developed systems to provide an effective access of communication between the Academy and home, and also building on strategies to involve hard to reach parents through our contacts with community groups. By working together we are able to meet our aim of ensuring that all who come to The Aspire Academy will find it challenging, stimulating, supportive and a happy place to be and will enjoy their time here.

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

Strategic Report

Achievements and Performance

The achievement of an Ofsted 'GOOD' rating in terms of overall effectiveness and across all areas in May 2017, has continued to support our place in the educational provision available in Worcestershire.

Yet another improved set of GCSE results demonstrated the drive to secure better academic qualifications. Alongside large quantities of Functional Skills examination passes and almost twice as many vocational successes, an increased number of pupils achieved 2 and 3 vocational qualifications, with 1 pupil achieving 7 vocational passes and 2 pupils achieving 6 GCSEs.

The staff team has grown and performance management is now secure for all staff, both educational and non educational. There is a significant training programme in place to support staff development, with 5 staff currently training to become teachers, gaining QTS 2 training on the QTLS pathway.

Key Performance Indicators

The achievement of a Good Ofsted rating for overall effectiveness is significant. The achievement of the Basic Skills Quality Mark (BSQM) underpins the strong work that goes on in basic skills support at the Academy. The appointment of a second school improvement partner helped the monitoring of teaching and learning and supported the developments in assessment, as well as producing review reports for PPG and SEND. Baseline assessments are now in place and progress flight paths are produced. A new fellowship partnership called 'Schools of Tomorrow' will support our peer review and improvement moving forward over the next two years initially.

A comprehensive self evaluation executive summary by the Head Teacher is currently in progress and early signs are that the school is now well placed to move for outstanding and achieving excellence, for example, demonstrating significant improvements in attendance from historic home school baselines. This now stands at, on average, a 5.35% improvement per pupil.

Contributing developments to the 'Good' rating include:

- Developing school improvement to include a fellowship of schools (SOTO) that is not just local.
- Head Teacher performance management targets.
- Improved governor challenge and support.
- Broad curriculum offer, including Science. GCSE Physics achieved for the first time in the 2018 results.
- Quality Assurance from commissioning schools and latterly through the teaching schools.
- Extended vocational pathways and introductions of learning outside the classroom spaces for Forest School and the allotment, and employing a dedicated outdoor education therapist.
- Secure 'good' teaching and learning.
- Significantly improved marking scrutiny and lesson planning.

Having experienced a challenging first and second year of the school's existence, the third year saw much of the ground previously lost recovered, and the fourth and fifth years have embedded the strong foundations we built. Patterns of pupil numbers are consistent, Governors and staff are confident the coming year will see the school go to an even stronger position.

Going Concern

After consideration of the school's financial position, its financial plans (including projected student numbers), the demand for places and the broader environment, the Board of Governors have reasonable expectation that the Academy Trust has, and will continue to have, adequate resources to continue in operational existence for the foreseeable future. For this reason, the Academy continues to adopt the Going Concern principle in preparing its financial statements. Further details regarding the adoption of the Going Concern basis can be found in the Statements of Accounting Policies.

Financial Review

Restricted General Fund

The Academy's income was received from the Education and Skills Funding Agency (ESFA) by way of the General Annual Grant (GAG), 'Top-Up' funding from referring schools, based on actual pupil places and a grant from the Office of the Police Crime Commissioner. The use of this funding is restricted to the Academy's charitable activities – its educational operations.

This revenue income, and associated revenue expenditure, are detailed in the SOFA. General Restricted Fund income for the period was £1,840,998; expenditure against the fund was £1,810,548, actuarial losses in the fund were £310,000 and transfers out were £48,579. The overall Restricted General Fund reserves are £651,816 (in deficit) before the pension deficit of £991,000.

Unrestricted Funds
Income received into the Unrestricted Fund was £21,571. Expenditure was £32,946 for the year. The unrestricted funds are the Academy's free reserves. The overall Unrestricted Fund reserves are £19,778.

Restricted Fixed Asset Fund

The following capital income was received during the year:

- ESFA Formula Capital Funding of £9,119
- Revenue contribution to capital of £48,579 made from the Restricted General fund

The Restricted Fixed Asset Fund balance is reduced by any disposals made together with the annual depreciation charge over the expected useful life of the assets concerned in line with the Academy's depreciation policy.

The SOFA details a £4,267,882 Restricted Fixed Asset Fund period end surplus after transfers between funds.

Summary of Financial Performance

Total fund balance as at 31st August 2019 was £3,948,476 comprising £19,778, £(339,184) and £4,267,882 in Unrestricted, Restricted General and Restricted Fixed Asset Funds respectively.

Balance Sheet

The Academy's assets are predominantly used for providing education to school students.

The net book value of the Academy's tangible fixed assets was £4,267,882 as at 31st August 2019. The movement in this account is detailed in note 13.

Cash in hand at 31st August 2019 was £704,602.

Reserves Policy

The Reserves Policy determines that the Academy should aim to retain a minimum of three-months average expenditure to provide sufficient free reserves, to cover timing issues between spending and the receipt of grants, and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. To enable the Academy to maintain this level of free reserves we undertake to uphold the principles of best value, maintain the policy undertaking price comparisons and competitive tendering and make strategic efficiency savings where possible.

A deficit of £588,000 existed in respect of the Local Government Pension Scheme at the start of the period; the 2019 actuarial valuation showed a deficit of £991,000 at the close of the period. The DfE have made assurances that in the event of a school closure, they would meet any deficit in the scheme.

As at 31st August 2019 the fund balances were:
- Unrestricted Fund: £19,778
- Restricted General Fund: £651,816
- Free reserves: £671,594

The Academy currently holds free reserves in excess of three-months average expenditure. The Governors deem this prudent to accommodate pupil number fluctuations and funding uncertainties. The Academy maintains a working 5-year budget plan to assist in forward planning and thus providing early warning indicators to the depletion of the Academy reserves.

Investment Policy

The governing body is responsible for setting the Investment Policy. The day to day responsibility for managing this function has been delegated to the Director of Operations. To attract additional income, the Academy operates a 32-day notice deposit account. Where cash flow balances indicate a continued cash balance in excess of £300,000 the difference will be available for deposit into the Academy's deposit account.

Principal Risks and Uncertainties

The Board of Governors has a comprehensive risk management process to identify and monitor the risks faced by the Academy. The principal risks identified include governance, statutory compliance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. A risk rating mechanism is in place with greater emphasis directed towards those identified higher risk areas.

Risk Management

The Board of Governors has considered the major risks to which it is exposed, in particular those relating to governance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. The review of the Strategic Risk Register: Financial and Reputational Risks is a standing item on SLT and FGB meeting agendas.

The Board of Governors have implemented a number of systems to assess and reduce the risks that the Academy faces, especially in operational areas in relation to teaching, health and safety (including trips and the Academy's minibuses), behaviour management, and in relation to the control of finances. They have introduced policies and systems for the recruitment, selection and vetting of new staff, continual professional development of staff, child protection, supervision of students around the Academy site and internal financial controls to minimise financial risk. Adequate insurance has been arranged where significant financial risk remains.

The Academy has an effective system of internal financial control as explained in the Statement on Internal Control. The Academy has undertaken a full review of the main areas of risk which it faces, including health and safety and child protection policies and procedures.

Plans for Future Periods

The Aspire Free School Academy Trust strives to continually improve levels of attainment for all students, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further education and higher education or employment. There is an increasing trend in the number of qualifications offered and achieved as the 2019 results testify to.

The curriculum, the quality of teaching and learning and informed interventions are consistently reviewed to help every student achieve their full potential.

The Academy believes that developing the whole student is critical to improving levels of attainment and in developing broader skills and character that will develop students' commitment to lifelong learning and enrich their quality of life. To this extent, the Academy strives to provide exceptional behaviour and attendance management support to its students, to offer a broad range of extra curricular activities through its 'Aspire Plus' programme and to ensure they get the best quality careers education information, advice and guidance. The academy now has a careers leader who drives the careers strategy (a statutory Government initiative).

Funds Held as Custodian Governor on Behalf of Others

There are no Funds held as Custodian Governor on behalf of others.

Auditor

Insofar as the governors are aware:

- There is no relevant audit information of which the Charitable Company's auditor is unaware.
- The governors have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of such information.

Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 2 December 2019 and signed on the board's behalf by:

Mr Phil Collins
Chair of Governors

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Governors has delegated the day-to-day responsibility to the Head Teacher, 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 Aspire Free School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. In addition to informal meetings and visits to the school, the Board of Governors formally met 4 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
J Bateman	2	4
P Collins, Chairman	4	4
A Dickenson	0	0
M Farmer	4	4
C Hart, Vice Chair	3	4
J Smith	1	1
S Stevenson, Accounting Officer	3	4
A Tarbuck	0	1
D Titteron	1	4
K Bramford	3	4
J Hart	4	4
H Jones	4	4
J Lewis	4	4
M Scriven	1	4

Three governor resignations and two governor appointments have been made during the year. There is currently 1 parent governor vacancy, which is allowed under the Articles of Association.

The Governing Body has determined that it is able to convene on a termly basis and maintain effective oversight. In addition to the 4 x Full Governing Body meetings, other committees with delegated terms of reference have met during the year. These additional committee meetings included 3 x Finance & HR and 3 x Teaching & Learning. The Chair of Governors visits the school and meets regularly with the Head Teacher to monitor progress and is kept informed of any pertinent matters which may arise from time to time. The Academy has a designated Safeguarding Governor who meets half-termly with the Designated Safeguarding Lead and at other times if necessary. The Chair of Governors and other Finance Governors receive monthly Management Account reports relating to the financial position and, from time to time, are provided with other relevant reports relating to matters at the School. E-mail communications have continued to prove to be an effective way in which to keep Governors informed between meetings. The school also operates a document 'shared drive' where the Academy shares relevant information with Governors in preparation for meetings etc. Governors are also encouraged to visit the School at any time to meet with Head Teacher and other staff, or simply to observe aspects of the school day.

Governance Reviews

A Trust self evaluation was carried out. An external advisor who is an ex LEA Chairman and a member of the National Audit Commission met with the Chair, ex Chair and Head Teacher. As a result, the external advisor led a ½ day session for Governors, and external interested parties, hosted by Worcester Warriors during which a SWOT (strengths, weaknesses, opportunities and threats) analysis was carried out.

The most significant outcomes were that it was felt that the school should not pursue the viability of developing a multi academy trust at this time and that the best defence against funding shortfalls was to keep pupil numbers buoyant. In addition, school improvement partners from Entrust (school improvement advisors) reported their findings to the Head Teacher and Chair of Governors for the year 2017/18. This continued with the involvement in the Schools for Tomorrow Fellowship which indicated that the school's leadership and governance had met the targets outlined in the Improvement Plan. This review will be ongoing for the year 2019/20 and again will focus on the School Improvement Plan; monitored and assessed by an ex-Headteacher acting in the role of a School Improvement Partner.

Additional priorities for 2019/20 are to recruit to the Governing Body to bring it up to full strength; perhaps using the school website as a recruiting tool to identify specific support roles for Governors in order that the Governing Body effectively supports the School Improvement Plan and continues to interrogate performance data provided by the school staff.

The Finance & Human Resources committee, a sub-committee of the main Board of Governors, met on three occasions, its remit is to:

- Monitor, evaluate and review policy and performance in relation to financial management
- Ensure compliance with reporting and regulatory requirements and reporting
- Draft the annual budget
- Monitor and set staffing levels
- Oversee staff Performance Management
- Discuss all resource and premises issues, including Health & Safety

During the year K Bramford joined the committee. Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
S Stevenson	2	3
D Titterton	2	3
J Bateman	1	3
K Bramford	1	1
C Hart	0	3
P Collins	3	3

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Head Teacher 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 Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Governors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Following a review of the telephone solution, savings of 54% have been secured through contracting with an alternative supplier, with prices fixed for three years;
- A review of the academy's reprographic needs was assessed during the year and prices were sought to

renew the leased reprographic equipment, which was approaching 5-years old. Prices were extremely competitive and it was decided to remain with the current supplier who has provided excellent service. With the reduction of one photocopier and a renewed 5-year lease savings of 46% per year have been achieved;

- Governors decided to investigate the cost of staff absence insurance. Analysis of historic staff absence data indicated that the academy would have achieved a positive revenue return for the past three years, had absence insurance been in place. Prices were sought from 7 providers, and a policy has been secured with the most competitive priced provider. A review will be undertaken in the coming year to assess the decision;
- Online price comparisons continue to prove effective with the speed of both obtaining prices and ascertaining market availability;
- The use of an Academy business charge card allows us to take advantage of online purchasing to achieve competitive pricing and where it is not practical to set up a credit account;
- Competitive price analysis and negotiation is routinely undertaken to secure best prices. Both on line and with current suppliers. An internal requisition process is in place, requiring price comparisons on general curriculum resources; this helps achieve best prices and encourages curriculum leaders to reflect on their purchases and monitor budgets;
- The Crescent Purchasing Consortium website continues to be used as an introduction to purchasing frameworks and this has been used to contact suppliers in various areas to obtain pricing quotations;
- The Academy continues to make good supplier contacts and value for money can now be assessed on both price and service received.

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 at the Aspire Free School Academy Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

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

- Identification and management of risks.

The Board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Crowe U.K. LLP, the external auditor, to perform additional checks.

The external auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

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

The checks carried out in the current period included tests in the following areas:

- ESFA Income
- Other income
- Fuel card and business card expenditure
- Staff expenses
- Payroll
- Control accounts
- Cash flow
- Governance & transparency
- Reporting to the governors and ESFA
- Financial procedures

These additional checks have been reported by the external auditor, through the Finance and Resources Committee to the Board of Governors, together with a report of recommendations on findings. No material control issues have arisen.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Head Teacher 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;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the external auditor and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Governors on 2 December 2019 and signed on their behalf, by:

Phil Collins
Chair of Governors

Simon Stevenson
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the academy trust Board of Governors 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 2018.

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

Simon Stevenson
Accounting Officer

Date: 2 December 2019

STATEMENT OF GOVERNORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2019

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors 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 Governors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Governors 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 Governors on 2 December 2019 and signed on its behalf by:

Phil Collins
Chair of Governors

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASPIRE FREE SCHOOL ACADEMY TRUST

OPINION

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASPIRE FREE SCHOOL ACADEMY TRUST

OTHER INFORMATION

The Governors are responsible for the other information. The other information comprises the information included in the Annual report (which includes the Reference and Administrative Details, the Report of the Directors and Strategic Report and the Governance Statement), 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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and 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 our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASPIRE FREE SCHOOL ACADEMY TRUST

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Governors' responsibilities, the Governors (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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 Governors are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the Academy 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.

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

USE OF OUR REPORT

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an 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 Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Dave Darlaston (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG
2 December 2019

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

In accordance with the terms of our engagement letter dated 28 September 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Aspire Free School Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Aspire Free School 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 Aspire Free School 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 Aspire Free School Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF ASPIRE FREE SCHOOL ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Aspire Free School Academy Trust's funding agreement with the Secretary of State for Education dated 2013, and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed test on samples of costs incurred by the academy and specific transactions identified from our review.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASPIRE FREE SCHOOL ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

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 year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Crowe UK LLP

Crowe U.K. LLP

Reporting Accountant

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

2 December 2019

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	*Total funds 2018 £*
INCOME FROM:						
Donations and capital grants	2	-	34,968	9,119	44,087	*27,828*
Charitable activities	3	-	1,806,030	-	1,806,030	*1,672,623*
Other trading activities	4	19,395	-	-	19,395	*22,238*
Investments	5	2,176	-	-	2,176	*1,150*
TOTAL INCOME		21,571	1,840,998	9,119	1,871,688	*1,723,839*
EXPENDITURE ON:						
Charitable activities		32,946	1,810,548	172,720	2,016,214	*1,737,977*
TOTAL EXPENDITURE	6	32,946	1,810,548	172,720	2,016,214	*1,737,977*
NET INCOME/ (EXPENDITURE) BEFORE TRANSFERS		(11,375)	30,450	(163,601)	(144,526)	*(14,138)*
Transfers between Funds	16	-	(48,579)	48,579	-	*-*
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES		(11,375)	(18,129)	(115,022)	(144,526)	*(14,138)*
Actuarial gains/(losses) on defined benefit pension schemes	19	-	(310,000)	-	(310,000)	*113,000*
NET MOVEMENT IN FUNDS		(11,375)	(328,129)	(115,022)	(454,526)	*98,862*
RECONCILIATION OF FUNDS:						
Total funds brought forward		31,153	(11,055)	4,382,904	4,403,002	*4,304,140*
TOTAL FUNDS CARRIED FORWARD		19,778	(339,184)	4,267,882	3,948,476	*4,403,002*

The notes on pages 25 to 44 form part of these financial statements.

ASPIRE FREE SCHOOL ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08330636

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	£	2019 £	£	*2018* *£*
FIXED ASSETS					
Tangible assets	13		**4,267,882**		*4,382,904*
CURRENT ASSETS					
Debtors	14	**103,042**		*203,135*	
Cash at bank and in hand		**704,602**		*499,355*	
		807,644		*702,490*	
CREDITORS: amounts falling due within one year	15	**(136,050)**		*(94,392)*	
NET CURRENT ASSETS			**671,594**		*608,098*
TOTAL ASSETS LESS CURRENT LIABILITIES			**4,939,476**		*4,991,002*
Defined benefit pension scheme liability	19		**(991,000)**		*(588,000)*
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			**3,948,476**		*4,403,002*
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	16	**651,816**		*576,945*	
Restricted fixed asset funds	16	**4,267,882**		*4,382,904*	
Restricted income funds excluding pension liability		**4,919,698**		*4,959,849*	
Pension reserve		**(991,000)**		*(588,000)*	
Total restricted income funds			**3,928,698**		*4,371,849*
Unrestricted income funds	16		**19,778**		*31,153*
TOTAL FUNDS			**3,948,476**		*4,403,002*

The financial statements on pages 22 to 44 were approved by the Governors, and authorised for issue, on 2 December 2019

Phil Collins
Chair of Governors

The notes on pages 25 to 44 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	*2018* *£*
Cash flows from operating activities			
Net cash provided by operating activities	21	**251,650**	*174,268*
Cash flows from investing activities:			
Bank interest		**2,176**	*1,150*
Proceeds from the sale of tangible fixed assets		**-**	*1,178*
Purchase of tangible fixed assets		**(57,698)**	*(22,576)*
Capital grants from DfE Group		**9,119**	*4,743*
Net cash used in investing activities		**(46,403)**	*(15,505)*
Change in cash and cash equivalents in the year		**205,247**	*158,763*
Cash and cash equivalents brought forward		**499,355**	*340,592*
Cash and cash equivalents carried forward	22	**704,602**	*499,355*

The notes on pages 25 to 44 form part of these financial statements.

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

Aspire Free School Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 COMPANY STATUS

The Academy Trust is a company limited by guarantee and was incorporated in England and Wales (registered number 08330636). The address of the registered office is Aspire Free School Academy Trust, Bridgwater Road, Worcester, WR4 9FW.

1.3 GOING CONCERN

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

1. ACCOUNTING POLICIES (continued)

1.4 INCOME

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

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

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

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

1.5 EXPENDITURE

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

Expenditure on charitable activities are costs incurred on the Academy's educational operations, including support costs and those costs relating to the governance of the Academy appointed to charitable activities.

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	Straight line over 50 years
Furniture and fixtures	-	Straight line over 5 years
Computer equipment	-	Straight line over 3 - 5 years

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

1.7 PROVISIONS

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligations can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.8 OPERATING LEASES

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

1. ACCOUNTING POLICIES (continued)

1.9 FINANCIAL INSTRUMENTS

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy 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 as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. 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 instruments. Amounts due to the Academy are held at face value less any impairment.

1.10 TAXATION

The Academy 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 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.

1.11 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and 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 recognised in the period to which they relate.

1. ACCOUNTING POLICIES (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 Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.12 FUND ACCOUNTING

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

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 Department for Education Group.

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

1. ACCOUNTING POLICIES (continued)

1.13 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

There are no critical judgments which would have a material impact on the financial statements.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	**Restricted funds 2019 £**	**Restricted fixed asset funds 2019 £**	**Total funds 2019 £**	*Total funds 2018 £*
Other grants	-	34,968	-	34,968	*23,085*
Capital Grants	-	-	9,119	9,119	*4,743*
	-	**34,968**	**9,119**	**44,087**	*27,828*
Total 2018	*1,000*	*22,085*	*4,743*	*27,828*	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	*Total funds 2018 £*
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,208,631	1,208,631	*1,070,871*
Start Up Grant	-	-	-	*5,000*
Other DfE/ESFA grants	-	597,399	597,399	*596,752*
	-	1,806,030	1,806,030	*1,672,623*
Total 2018	*-*	*1,672,623*	*1,672,623*	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	*Total funds 2018 £*
Other income	19,395	-	19,395	*22,238*
	19,395	-	19,395	*22,238*
Total 2018	*22,238*	*-*	*22,238*	

5. INVESTMENT INCOME

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	*Total funds 2018 £*
Bank interest receivable	2,176	-	2,176	*1,150*
Total 2018	*1,150*	*-*	*1,150*	

6. EXPENDITURE

	Staff costs 2019 £	Premises 2019 £	Other costs 2019 £	Total 2019 £	*Total 2018 £*
Funding for education:					
Direct costs	1,034,605	172,720	135,144	1,342,469	*1,172,899*
Support costs	374,951	116,418	182,376	673,745	*565,078*
	1,409,556	289,138	317,520	2,016,214	*1,737,977*
Total 2018	*1,168,367*	*269,178*	*300,432*	*1,737,977*	

7. SUPPORT COSTS

	2019 £	*Total 2018 £*
Technology costs	35,309	*35,652*
Premises costs	116,418	*104,494*
Other support costs	128,422	*109,522*
Governance costs	18,645	*19,088*
Wages and salaries	231,063	*181,597*
National insurance	17,193	*14,396*
Pension cost	126,695	*100,329*
	673,745	*565,078*

Included within governance costs are any costs associated with the strategic as opposed to day-to-day management of the trust's activities. These costs will include any employee benefits for trusteeship, the cost of trust employees involved in meetings with trustees, the cost of any administrative support provided to the trustees, and costs relating to constitutional and statutory requirements including audit and preparation of statutory accounts.

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2019 £	*2018 £*
Depreciation of tangible fixed assets:		
- owned by the charity	172,720	*164,684*
Auditor's remuneration - audit	4,750	*4,750*
Auditor's remuneration - other services	1,050	*1,050*
Operating lease rentals	23,893	*21,611*
Loss on disposal of fixed assets	-	*70*

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	996,421	875,031
Social security costs	90,184	78,410
Operating costs of defined benefit pension schemes	266,996	214,172
	1,353,601	1,167,613
Agency staff costs	55,955	754
	1,409,556	1,168,367

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	14	11
Management	6	4
Administration and support	18	20
	38	35

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	0	1
In the band £70,001 - £80,000	1	0

d. Key management personnel

The key management personnel of the academy trust comprise the governors and the senior leadership team. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the Trust was £369,315 *(2018: £294,031).*

10. GOVERNORS' REMUNERATION AND EXPENSES

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

		2019 £	*2018 £*
S Stevenson	Remuneration	**70,000-75,000**	*65,000-70,000*
	Pension contributions paid	**10,000-15,000**	*10,000-15,000*
R Lewis	Remuneration	-	*45,000-50,000*
	Pension contributions paid	-	*5,000-10,000*
H Jones	Remuneration	**20,000-25,000**	-
	Pension contributions paid	**0-5,000**	-

During the year ended 31 August 2019, no Governors received any reimbursement of expenses (2018 - no Governors received any reimbursement of expenses).

11. GOVERNORS' 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 Governors and officers indemnity element from the overall cost of the RPA scheme.

12. RELATED PARTY TRANSACTIONS

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

13. TANGIBLE FIXED ASSETS

	Freehold property £	Furniture and fixtures £	Computer equipment £	Total £
COST				
At 1 September 2018	**4,655,884**	**197,159**	**199,676**	**5,052,719**
Additions	**44,411**	**2,500**	**10,787**	**57,698**
At 31 August 2019	**4,700,295**	**199,659**	**210,463**	**5,110,417**
DEPRECIATION				
At 1 September 2018	**391,792**	**131,513**	**146,510**	**669,815**
Charge for the year	**93,118**	**39,723**	**39,879**	**172,720**
At 31 August 2019	**484,910**	**171,236**	**186,389**	**842,535**
NET BOOK VALUE				
At 31 August 2019	**4,215,385**	**28,423**	**24,074**	**4,267,882**
At 31 August 2018	*4,264,092*	*65,646*	*53,166*	*4,382,904*

14. DEBTORS

	2019 £	*2018 £*
Trade debtors	**65,665**	*173,866*
VAT debtor	**2,741**	*2,884*
Prepayments and accrued income	**34,636**	*26,385*
	103,042	*203,135*

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	6,856	-
Other taxation and social security	23,524	20,492
Other creditors	20,584	16,163
Accruals and deferred Income	85,086	57,737
	136,050	94,392

	2019 £	2018 £
DEFERRED INCOME		
Deferred income at 1 September 2018	16,967	41,218
Resources deferred during the year	17,346	16,967
Amounts released from previous years	(16,967)	(41,218)
Deferred income at 31 August 2019	17,346	16,967

The deferred income comprises of rates relief income.

16. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General Funds	31,153	21,571	(32,946)	-	-	19,778
RESTRICTED FUNDS						
General Annual Grant	576,945	1,208,631	(1,097,163)	(48,579)	-	639,834
Other Dfe/ESFA grants	-	592,312	(592,312)	-	-	-
Pupil registration	-	5,087	(5,087)	-	-	-
Other grants	-	34,968	(22,986)	-	-	11,982
Pension reserve	(588,000)	-	(93,000)	-	(310,000)	(991,000)
	(11,055)	1,840,998	(1,810,548)	(48,579)	(310,000)	(339,184)
RESTRICTED FIXED ASSET FUNDS						
Restricted Fixed Asset Funds	4,382,904	9,119	(172,720)	48,579	-	4,267,882
Total restricted funds	4,371,849	1,850,117	(1,983,268)	-	(310,000)	3,928,698
Total of funds	4,403,002	1,871,688	(2,016,214)	-	(310,000)	3,948,476

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

1) General Annual Grant: this must be used for the normal running costs of the Academy Trust.
2) Other Dfe/ESFA grants: this fund relates to other grants received which must be used for the purpose intended.
3) Other grants relates to an OPCC grant received from the Office of the Police Crime Commissioner which must be used for after school provisions only.
4) Restricted fixed asset fund: this fund relates to resources which must be applied for specific capital purposes intended.
5) The Government capital grant funds are provided by the Government for specific capital projects. Such funds are to be treated as restricted due to restrictions imposed by the DfE over the use and disposal of the related assets.
6) The restricted income funds are subject to specific expenditure within the Trust's declared objects.
7) Transfers represent expenditure on fixed assets from the General Annual Grant.

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

16. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2017	*Income*	*Expenditure*	*Transfers in/out*	*Gains/ (Losses)*	*Balance at 31 August 2018*
	£	*£*	*£*	*£*	*£*	*£*
General Funds	*29,003*	*24,388*	*(22,238)*	*-*	*-*	*31,153*
RESTRICTED FUNDS						
GAG	*374,877*	*1,070,871*	*(852,218)*	*(16,585)*	*-*	*576,945*
Other grants	*-*	*613,544*	*(613,544)*	*-*	*-*	*-*
Pupil registration	*-*	*5,293*	*(5,293)*	*-*	*-*	*-*
Start up Grant	*-*	*5,000*	*(5,000)*	*-*	*-*	*-*
Pension reserve	*(626,000)*	*-*	*(75,000)*	*-*	*113,000*	*(588,000)*
	(251,123)	*1,694,708*	*(1,551,055)*	*(16,585)*	*113,000*	*(11,055)*
RESTRICTED FIXED ASSET FUNDS						
Restricted Fixed Asset Funds	*4,526,260*	*4,743*	*(164,684)*	*16,585*	*-*	*4,382,904*
Total restricted funds	*4,275,137*	*1,699,451*	*(1,715,739)*	*-*	*113,000*	*4,371,849*
Total of funds	*4,304,140*	*1,723,839*	*(1,737,977)*	*-*	*113,000*	*4,403,002*

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2019	**Restricted funds 2019**	**Restricted fixed asset funds 2019**	**Total funds 2019**
	£	**£**	**£**	**£**
Tangible fixed assets	**-**	**-**	**4,267,882**	**4,267,882**
Current assets	**19,778**	**787,866**	**-**	**807,644**
Creditors due within one year	**-**	**(136,050)**	**-**	**(136,050)**
Provisions for liabilities and charges	**-**	**(991,000)**	**-**	**(991,000)**
	19,778	**(339,184)**	**4,267,882**	**3,948,476**

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	*Restricted funds 2018 £*	*Restricted fixed asset funds 2018 £*	*Total funds 2018 £*
Tangible fixed assets	-	-	*4,382,904*	*4,382,904*
Current assets	*31,153*	*671,337*	-	*702,490*
Creditors due within one year	-	*(94,392)*	-	*(94,392)*
Provisions for liabilities and charges	-	*(588,000)*	-	*(588,000)*
	31,153	*(11,055)*	*4,382,904*	*4,403,002*

18. CONTINGENT LIABILITIES

Guaranteed Minimum Pension equalisation

On 26 October 2018 the High Court ruled that equalisation for the effect of unequal Guaranteed Minimum Pensions (GMPs) is required. The ruling confirmed that trustees have a duty "to equalise benefits for men and women so as to alter the result which is at present produced in relation to GMPs". According to HM Treasury, any impact of GMPs is unlikely to be material to the pension valuation and therefore no allowance for GMP equalisation has been made in the FRS102 LGPS pension liability for this year. Full GMP indexation will be applied to the LGPS pension liability once changes to the LGPS have been formally announced.

19. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Worcestershire County Council Pension Fund. Both are Multi-employer defined benefit pension schemes.

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

Contributions amounting to £20,584 were payable to the schemes at 31 August 2019 *(2018 - 16,163)* and are included within creditors.

Teachers' Pension Scheme

The Academy Trust participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £102,124 *(2018 - £69,284)* and at the year-end £13,515 *(2018 - £9,203)* was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as

19. PENSION COMMITMENTS (continued)

amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £95,000 *(2018 - £94,000)*, of which employer's contributions totalled £72,000 *(2018 - £71,000)* and employees' contributions totalled £23,000 *(2018 - £23,000)*. The agreed contribution rates for future years are 14.1% for employers and 5.50% - 12.50% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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.

19. PENSION COMMITMENTS (continued)

As the scheme is in deficit, the Academy Trust is expected to make the following additional contributions in the upcoming years:

2019/20 £18,100

Principal actuarial assumptions:

	2019	2018
Discount rate for scheme liabilities	**1.80 %**	*2.90 %*
Rate of increase in salaries	**3.50 %**	*3.70 %*
Rate of increase for pensions in payment / inflation	**2.10 %**	*2.30 %*
Inflation assumption (CPI)	**2.00 %**	*2.20 %*

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

	2019	2018
Retiring today		
Males	**22.8**	*22.7*
Females	**25.8**	*25.7*
Retiring in 20 years		
Males	**25.1**	*24.9*
Females	**28.2**	*28.0*

Sensitivity analysis	At 31 August 2019 £	At 31 August 2018 £
Discount rate +0.1%	**(40,000)**	*(27,000)*
Discount rate -0.1%	**41,000**	*28,000*
Mortality assumption - 1 year increase	**27,000**	*18,000*
Mortality assumption - 1 year decrease	**(27,000)**	*(18,000)*
CPI rate +0.1%	**41,000**	*27,000*
CPI rate -0.1%	**(40,000)**	*(26,000)*

19. PENSION COMMITMENTS (continued)

The sensitivity analysis above shows the effect on the present value of the defined benefit obligation when flexing the principal actuarial assumptions.

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

	Fair value at 31 August 2019	*Fair value at 31 August 2018*
	£	*£*
Equities	**404,000**	*354,000*
Government bonds	**43,000**	*37,000*
Other bonds	**29,000**	*21,000*
Property	**34,000**	*22,000*
Cash/liquidity	**17,000**	*10,000*
Other	**44,000**	*17,000*
Total market value of assets	**571,000**	*461,000*

The actual return on scheme assets was £22,000 *(2018 - £26,000).*

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2019	*2018*
	£	*£*
Current service cost	**114,000**	*129,000*
Net interest	**16,000**	*15,000*
Past service cost	**34,000**	*-*
Administration expenses	**1,000**	*2,000*
Total	**165,000**	*146,000*
Actual return on scheme assets	**22,000**	*26,000*

19. PENSION COMMITMENTS (continued)

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

	2019 £	2018 £
Opening defined benefit obligation	1,049,000	967,000
Interest cost	31,000	25,000
Employee contributions	23,000	23,000
Actuarial losses/(gains)	316,000	(96,000)
Benefits paid	(5,000)	1,000
Current service cost	114,000	129,000
Past service costs	34,000	-
Closing defined benefit obligation	1,562,000	1,049,000

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

	2019 £	2018 £
Opening fair value of scheme assets	461,000	341,000
Interest on asset	15,000	10,000
Actuarial gain/(losses)	6,000	17,000
Employer contributions	72,000	71,000
Employee contributions	23,000	23,000
Benefits paid	(5,000)	1,000
Administration expenses	(1,000)	(2,000)
Closing fair value of scheme assets	571,000	461,000

20. OPERATING LEASE COMMITMENTS

At 31 August 2019 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
AMOUNTS PAYABLE:		
Within 1 year	18,436	21,611
Between 1 and 5 years	30,998	27,103
Total	49,434	48,714

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	*2018 £*
Net expenditure for the year (as per Statement of Financial Activities)	**(144,526)**	*(14,138)*
Adjustment for:		
Depreciation charges	**172,720**	*164,684*
Bank interest	**(2,176)**	*(1,150)*
Loss on the disposal of fixed assets	**-**	*70*
Decrease/(increase) in debtors	**100,093**	*(24,623)*
Increase/(decrease) in creditors	**41,658**	*(20,832)*
Capital grants from DfE and other capital income	**(9,119)**	*(4,743)*
Defined benefit pension scheme cost less contributions payable	**76,000**	*58,000*
Defined benefit pension scheme finance cost	**17,000**	*17,000*
Net cash provided by operating activities	**251,650**	*174,268*

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	*2018 £*
Cash in hand	**704,602**	*499,355*
Total	**704,602**	*499,355*

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.