

ASPIRE ACADEMY TRUST (HARLOW)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

ASPIRE ACADEMY TRUST (HARLOW)
(A Company Limited by Guarantee)

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ASPIRE ACADEMY TRUST (HARLOW)
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members	Mr Victor Goddard Mrs Valerie Denise Jones Ms Rhonda Murthar
Trustees	Mrs Valerie Denise Jones, Chair (resigned 30 April 2016) Mr Victor Goddard, Chair Ms Deborah Garfield Ms Rhonda Murthar Ms Lyn Alison Wright Mr Alan Phillips (resigned 30 April 2016) Mr Ben Nicholl (appointed 1 June 2016) Mr Roger Abo-Henriksen (appointed 1 June 2016) Mr Philip Morley (appointed 1 June 2016)
Company registered number	08337776
Company Secretary	Mr Christopher Fluskey
Company name	Aspire Academy Trust (Harlow)
Registered and principal office	Harlow Study Centre Nettlewellbury Farm Harlow Essex CM18 6BW
Senior Leadership Team	Ms Kathryn Webb, Assistant Principal Ms Melanie Goodger, Head of Primary Unit Ms Sheila Ball, Vice Principal Ms Deborah Garfield, Principal
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	Lloyds Bank PLC 25 East Gate Harlow Essex CM20 1LD

ASPIRE ACADEMY TRUST (HARLOW)
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their Annual Report together with the financial statements and Auditor's Report for Aspire Academy Trust (the Academy, The Trust or the Charitable Company) for the year ended 31st August 2016. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates an academy for pupils aged 4–16 serving a catchment area in West Essex. It has a pupil capacity of 89 fte and had a roll of 91 fte in the 2015/16 academic year.

Structure, Governance and Management

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable. The Charitable Company is known as Aspire Academy (the School).

Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

Members' Liability

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

Trustees and Officers' Indemnities

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 £2,000,000 on any one claim and details of the costs are disclosed in Note (11) to the accounts.

Method of Recruitment and Appointment or Election of Trustees

The arrangements are as set out in the Articles and Funding Agreement.

Trustees are appointed for a fixed term. The Principal is an ex officio member of the Governing Body. Parent Trustees and the staff Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for 12 Trustees, 9 of whom one is the Principal and with provision for two other staff and two parent Trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Charitable Company is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust provides an internal programme of continued professional development led by School staff and links with a number of local training providers.

All new Trustees are entitled to an induction to the role, according to their needs, which may include introductory sessions, mentoring and formal courses. This process will involve a meeting with the Chair of Trustees and Principal. All Trustees are provided with a handbook plus copies of policies and procedures documents that are appropriate to the role they undertake as Trustees with particular emphasis on the committee work that they will undertake.

Organisational Structure

The governance of the Academy is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Board of Trustees, which meets on at least 3 occasions per year and a Finance & Premises committee which meets at least 3 times per year, is responsible for the strategic direction of the Academy. The Board reviews progress towards educational objectives and results; approves major expenditure requests; sets the budget for the following year; sets the organisational staffing structure; agrees the performance objectives of the Principal with an external School Improvement Partner, and reviews them.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The Principal is the designated Accounting Officer of the Academy and has overall responsibility for the day to day financial management of the Charitable Company. The Principal has delegated responsibility for low values of expenditure to specific budget holders who are responsible for managing their own departments within their allocated budgets. A system of financial controls is in place to manage this process.

The Principal manages the Academy on a daily basis supported by a Senior Leadership Team (SLT). The SLT meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Principal and the Board of Trustees as required for approval. Each member of the SLT has specific responsibilities to assist the Principal to manage certain aspects of the Academy.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Key management personnel include Academy Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors which are set out in the Trust's Pay Policy. In addition, pay levels may be affected by nationally agreed pay awards and the ability to recruit and retain in post, all of which are in accordance with Trust's appointment and pay policies.

All amendments to key management's pay and remuneration are approved annually, following performance management Reviews by the Board of Trustees.

Related parties and other connected charities and organisations

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which members of the Board may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook. Connections with other charitable bodies include;

- Passmores Co-operative Learning Community Trust – a multi-academy Trust which commissions places at Aspire Academy and from whom Aspire Trust commissions an 'at cost' catering service
- Stewards Academy Trust – which commissions places at Aspire Academy
- Harlow Education Consortium Ltd (of which two Aspire Trustees are also Directors) – from whom Aspire commissions an 'at cost' finance, payroll and procurement service.

The Trust does not have a formal sponsor.

Objectives and Activities

Objects and Aims

The principle object and aim of the Charitable Company is the operation of the School to provide an Alternative Provision education and care for pupils for whom other mainstream forms of education are not proving successful or possible. A significant number of these pupils have complex and multiple special educational needs.

During the year the Academy has worked towards these aims by:

- expanding its curriculum and therapeutic provision to better meet the needs of 89 fte pupils
- continuing to recruit and retain high quality staff
- completing a capital project for the refurbishment and extension of the building / site
- developing a range of links with 3rd party providers and statutory services, and
- developing its relationship with commissioners.

Our success in fulfilling our aims can be measured by:

- the increasing demand from commissioners for places at Aspire
- commissioner, parental and pupil positive feedback
- the attainment and progress of pupils at Aspire
- progression rates and rates of Year 11 Leavers
- movement of pupils onto more appropriate Special School placements, and
- movement of pupils successfully back into mainstream settings.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Public Benefit

The Trustees believe that by working towards the objects and aims of the School as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Strategic Report

Achievements and Performance

The Trust continued its mission to ensure that pupils made at least an 'expected' level of education progress, had access to and gained success in public examinations and progressed at age 16 and at other prior appropriate points, to suitable other and further educational provision. In addition, the Trust worked rigorously to enable pupils to better manage their Social, Emotional and Mental Health needs.

Key Performance Indicators

The Trust Board and its Finance & Premises Committee receive regular information to enable them to monitor the performance of the Academy compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for the academic year 2016 were 91 fte against a forecast of 89 fte.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2015/16 this was between 62% – 70% against set parameters of 60% - 70%. The Board of Trustees is confident that staffing levels are closely monitored to agreed Full Time Equivalent and staffing structures all approved by the Board.

The Finance and Premises Committee also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the Board.

Going Concern

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

Financial Review

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education Funding agency (EFA). For the year ended 31 August 2016 the Trust received £955,298 of GAG and other EFA funding. In addition it received £752,786 of commissioner top up and other non-EFA grant funding. Total income in the year end 31st August 2016 was £2,991,685. A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education. During the year the Trust spent £1,734,066 on expenditure and transferred £123,987 to support capital new build and improvement projects on the School site. The Academy brought forward from 14/15, £75,718 restricted funds and £36,688 unrestricted funding. The carry forward for 15/16 is £172,192 restricted funding and £52,918 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of [£xxx,xxx]. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Business Manager. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £52,918. This has been built up from a mixture of locally raised income and balances transferred from the predecessor school.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The Trust holds £10,000 for in year contingencies and always plans to have a carry forward of between 1% and 3% to assist the Trustees in making strategic decisions to keep in line with national funding changes and curriculum needs.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2016 was £235,110.

The cash balance of the Academy has been very healthy all year, ending the year with a balance of £638,362.

Investment Policy

The Trustees regularly monitor cash flow and current account balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments.

Principal Risks and Uncertainties

The Trustees maintain a risk register identifying the major risks to which the Academy is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each Finance & Premises Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the EFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an academy school, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- the Academy has considerable reliance on continued Government funding through the EFA and 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;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed;
- safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- staffing - the success of the Academy is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - The Academy has appointed Price Bailey to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments – the Academy only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Academy is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

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TRUSTEES' REPORT (continued)
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Plans for Future Periods

For the academic year 2016/17, the Academy will be expanding its intake to 103 fte, the full capacity agreed by the EFA. This will require an increase in staffing which has been planned for in the 2016/17 set budget.

The Academy expects its first OFSTED inspection since opening in September 2014 to take place during the 2016/17 academic year – clearly all future plans are dependent on it achieving at least a Good judgement.

Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's Auditor is unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees on 1 November 2016 and signed on the Board's behalf by:

Mr Victor Goddard
Chair of Trustees

ASPIRE ACADEMY TRUST (HARLOW)
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Principal, 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 Academy Trust (Harlow) 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.

TRUST GOVERNING BODY OPERATION

The Board Of Trustees was formally constituted on 9th July 2014.

On 9th July 2014 the Board of Trustees adopted a Governors Handbook, which included a schedule of meetings, composition of its only Committee (Finance & Premises), a skills audit, training, register of interests and Trustees monitoring visits. At this meeting the Board of Trustees formally adopted a Financial Handbook & Regulations and all the Academy's Policies & Procedures.

At the same meeting, the Trust established a Finance & Premises Committee whose purpose is to recommend an annual budget (to be formally approved by the Board of Trustees), monitor the operation of that budget, approve expenditure as set out in the Financial Handbook & Regulations and ensure maintenance of the estate and monitor compliance with all Health & Safety regulations.

A particular task of the Committee during the period September 2015 to August 2016 was to oversee and approve the spend of the capital allocation from the EFA for the refurbishment and extension of the buildings on site.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs Valerie Denise Jones	2	2
Mr Victor Goddard, Chair	2	2
Ms Deborah Garfield	3	3
Ms Rhonda Murthar	3	3
Ms Lyn Alison Wright	2	3
Mr Alan Phillips	2	2
Mr Ben Nicholl	1	1
Mr Roger Abo-Henriksen	1	1
Mr Philip Morley	1	1

As part of the setting up of the Trust as an educational establishment the composition of the Board of Trustees, their skills and expertise have been carefully considered by the Department for Education. The current governance structure is considered sufficient to meet the strategic aims of the Trust and therefore a formal governance review is not deemed to be necessary. The position will be reviewed by the Board of Trustees on an ongoing basis.

During the academic year 2015/16, 2 Trustees resigned (Mr Alan Phillips and Mrs Valerie Jones – both 30th April 2016) and 3 new Trustees appointed (Mr Ben Nicholl, Mr Philip Morley and Mr Roger Abo-Henriksen - all appointed 29/06/16). Mr Vic Goddard took up the role of Chair of the Trust on 1st May 2016.

The Finance & Premises Committee will also undertake the task of advising the Board of Trustees on all aspects of risk and liaises with the internal Auditor on the nature and scope of each forthcoming audit to ensure that the internal Auditor has the fullest cooperation of staff and consider all relevant reports by the appointed internal Auditor. It has produced a Risk Register and management of identified risks for the Board of Trustees and keeps this under regular review.

Aspire has a Finance & Premises Committee. It undertakes detailed work on budget setting and monitoring and oversees all Premises related matters and reports to the Trust Board on these.

There has only been one change in composition (Mr Ben Nicholl for Mr Alan Phillips), during the year.

ASPIRE ACADEMY TRUST (HARLOW)
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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs Valerie Denise Jones	2	2
Mr Victor Goddard	2	2
Mr Alan Phillips	2	2
Ms Deborah Garfield	2	2
Mr Ben Nicholl	0	0

REVIEW OF VALUE FOR MONEY

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

The Board of Aspire Academy Trust through the responsibilities delegated to its Accounting Officer is committed to achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of all the resources in the Trust's charge, the avoidance of waste and extravagance, and prudent and economical administration.

- renegotiating a number of service contracts, via competitive bidding, to ensure best mix of quality and cost effectiveness
- exploiting being part of group procurement (e.g. energy) where this has offered better value, and
- ensuring that services commissioned through related 3rd parties are via competitive bidding and are at cost only

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 policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Aspire Academy Trust (Harlow) for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the Annual Report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 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's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

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GOVERNANCE STATEMENT (continued)

In January 2015 the Trust appointed a Trustee to undertake the role of Responsible Officer (RO). One check visit was undertaken on 22nd April 2015. This RO/Trustee then resigned. A new Trustee and RO was appointed and undertook a check visit on 17th November 2015. This Trustee/RO subsequently resigned. In December 2015, the Trust appointed Price Bailey LLP as internal auditors who visited February 2016 and ceased the RO function via a Trustee.

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

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Principal 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 Auditors;
- the work of the internal Auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy 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 Board of Trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 1 November 2016 and signed on their behalf, by:

Mr Victor Goddard
Trustee

Ms Deborah Garfield
Accounting Officer

ASPIRE ACADEMY TRUST (HARLOW)
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Aspire Academy Trust (Harlow) I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2015.

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 EFA.

Ms Deborah Garfield
Accounting Officer

Date: 1 November 2016

ASPIRE ACADEMY TRUST (HARLOW)
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as Governors of Aspire Academy Trust (Harlow) and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the Board of Trustees on 1 November 2016 and signed on its behalf by:

Mr Victor Goddard
Trustee

ASPIRE ACADEMY TRUST (HARLOW)
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASPIRE
ACADEMY TRUST (HARLOW)**

We have audited the financial statements of Aspire Academy Trust (Harlow) for the year ended 31 August 2016 which comprise the Statement of Financial Activities Incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASPIRE
ACADEMY TRUST (HARLOW)**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT
22 November 2016

ASPIRE ACADEMY TRUST (HARLOW)
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASPIRE
ACADEMY TRUST (HARLOW) AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 31 July 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Aspire Academy Trust (Harlow) during the year 1 September 2015 to 31 August 2016 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 Academy Trust (Harlow) and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Aspire Academy Trust (Harlow) and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Aspire Academy Trust (Harlow) and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF ASPIRE ACADEMY TRUST (HARLOW)'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Aspire Academy Trust (Harlow)'s funding agreement with the Secretary of State for Education dated 23 June 2014, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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:

- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the Academy Trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised.

ASPIRE ACADEMY TRUST (HARLOW)
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASPIRE
ACADEMY TRUST (HARLOW) AND THE EDUCATION 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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Price Bailey LLP

Chartered Accountants

22 November 2016

ASPIRE ACADEMY TRUST (HARLOW)
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds as restated 2015 £
INCOME FROM:						
Donations and capital grants	2	-	50	1,267,321	1,267,371	5,148,953
Charitable activities	3	-	1,708,084	-	1,708,084	1,523,817
Other trading activities	4	15,471	-	-	15,471	35,860
Investments		759	-	-	759	510
TOTAL INCOME		16,230	1,708,134	1,267,321	2,991,685	6,709,140
EXPENDITURE ON:						
Charitable activities		-	1,627,079	123,987	1,751,066	1,551,168
TOTAL EXPENDITURE	5	-	1,627,079	123,987	1,751,066	1,551,168
NET INCOME BEFORE TRANSFERS		16,230	81,055	1,143,334	1,240,619	5,157,972
Transfers between funds	14	-	(1,581)	1,581	-	-
NET INCOME BEFORE OTHER GAINS AND LOSSES		16,230	79,474	1,144,915	1,240,619	5,157,972
Actuarial losses on defined benefit pension schemes	18	-	(49,000)	-	(49,000)	(1,000)
NET MOVEMENT IN FUNDS		16,230	30,474	1,144,915	1,191,619	5,156,972
RECONCILIATION OF FUNDS:						
Total funds brought forward		36,688	75,718	5,087,718	5,200,124	43,152
TOTAL FUNDS CARRIED FORWARD		52,918	106,192	6,232,633	6,391,743	5,200,124

ASPIRE ACADEMY TRUST (HARLOW)
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08337776

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	11		6,232,633		5,087,718
CURRENT ASSETS					
Debtors	12	228,128		28,086	
Cash at bank and in hand		638,362		232,484	
		<u>866,490</u>		<u>260,570</u>	
CREDITORS: amounts falling due within one year	13	(631,380)		(138,164)	
		<u></u>	235,110	<u></u>	122,406
NET CURRENT ASSETS			<u>235,110</u>		<u>122,406</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			6,467,743		5,210,124
Defined benefit pension scheme liability	18		(76,000)		(10,000)
			<u></u>		<u></u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>6,391,743</u>		<u>5,200,124</u>
FUNDS OF THE ACADEMY					
Restricted funds :					
Restricted funds	14	182,192		85,718	
Restricted fixed asset funds	14	6,232,633		5,087,718	
		<u>6,414,825</u>		<u>5,173,436</u>	
Restricted funds excluding pension liability				5,173,436	
Pension reserve		(76,000)		(10,000)	
		<u></u>		<u></u>	
Total restricted funds			6,338,825		5,163,436
Unrestricted funds	14		52,918		36,688
			<u>52,918</u>		<u>36,688</u>
TOTAL FUNDS			<u>6,391,743</u>		<u>5,200,124</u>

The financial statements were approved by the Trustees, and authorised for issue, on 1 November 2016 and are signed on their behalf, by:

Mr Victor Goddard
Trustee

The notes on pages 19 to 34 form part of these financial statements.

ASPIRE ACADEMY TRUST (HARLOW)
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	16	1,620,053	1,219,594
Cash flows from investing activities:			
Dividends, interest and rents from investments		759	510
Purchase of tangible fixed assets		(1,214,934)	(1,274,466)
Net cash used in investing activities		(1,214,175)	(1,273,956)
Change in cash and cash equivalents in the year		405,878	(54,362)
Cash and cash equivalents brought forward		232,484	286,846
Cash and cash equivalents carried forward		638,362	232,484

ASPIRE ACADEMY TRUST (HARLOW)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Aspire Academy Trust (Harlow) constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Aspire Academy Trust (Harlow) prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Aspire Academy Trust (Harlow) for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Any reconciliations to previous UK GAAP for the comparative figures are included in note 22.

1.2 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 Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Department for Education.

ASPIRE ACADEMY TRUST (HARLOW)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 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 Incorporating Income and Expenditure Account 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 Incorporating Income and Expenditure Account 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 of the restricted fixed asset fund.

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.

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

Other income, including the income from pupil places, is recognised in the period in which it is receivable.

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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..

ASPIRE ACADEMY TRUST (HARLOW)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

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 Incorporating Income and Expenditure Account 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 Incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Assets under construction are capitalised at cost but are not depreciated until brought into use.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Building improvements	-	5 years straight line
L/Term Leasehold Property	-	125 years straight line
Motor vehicles	-	5 years straight line
Furniture and equipment	-	5 - 10 years straight line

1.7 Interest receivable

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

1.8 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.

1.9 Liabilities and provisions

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 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. 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.

1.10 Pensions

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

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 18, 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.

ASPIRE ACADEMY TRUST (HARLOW)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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 Incorporating Income and Expenditure Account 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.

1.11 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds as restated 2015 £
Donations	50	-	50	3,892,590
Grants	-	-	-	230
Capital grants	-	1,267,321	1,267,321	1,256,133
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	50	1,267,321	1,267,371	5,148,953
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2015, of the total income from donations and capital grants, £ 230 was to unrestricted funds and £3,892,590 was to restricted funds, and £1,256,133 was to restricted fixed asset funds.

ASPIRE ACADEMY TRUST (HARLOW)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2016 £	Total funds 2016 £	Total funds as restated 2015 £
DfE/EFA grants			
General Annual Grant (GAG)	929,138	929,138	760,550
Other DfE / EFA grants	25,660	25,660	23,069
Start up grant	500	500	40,250
	<u>955,298</u>	<u>955,298</u>	<u>823,869</u>
Other government grants			
Local authority grants	44,625	44,625	-
	<u>44,625</u>	<u>44,625</u>	<u>-</u>
Other funding			
Income from pupil places	708,161	708,161	699,948
	<u>708,161</u>	<u>708,161</u>	<u>699,948</u>
	<u>1,708,084</u>	<u>1,708,084</u>	<u>1,523,817</u>

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £1,523,817 was to restricted funds.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Total funds 2016 £	Total funds as restated 2015 £
Other income	15,471	15,471	35,860
	<u>15,471</u>	<u>15,471</u>	<u>35,860</u>

In 2015, of the total income from other trading activities, £35,860 was to unrestricted funds and £ NIL was to restricted funds.

5. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Provision of Education:					
Direct costs	877,468	70,019	281,532	1,229,019	1,161,846
Support costs	181,952	175,207	164,888	522,047	389,322
	<u>1,059,420</u>	<u>245,226</u>	<u>446,420</u>	<u>1,751,066</u>	<u>1,551,168</u>

In 2016, of the total expenditure, £NIL (2015 - £NIL) was to unrestricted funds and £1,751,066 (2015 - £1,551,168) was to restricted funds.

ASPIRE ACADEMY TRUST (HARLOW)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

6. CHARITABLE ACTIVITIES

	2016 £	2015 £
Direct costs	1,229,019	1,161,846
Support costs	522,047	389,322
Total	1,751,066	1,551,168

Analysis of support costs	2016 £	2015 £
Support staff costs	181,952	75,180
Technology costs	6,814	20,640
Premises costs	175,207	95,435
Other support costs	147,257	189,967
Governance costs	10,817	8,100
Total support costs	522,047	389,322

7. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned or leased by the Academy	70,019	55,295
Auditors' remuneration - audit	4,300	4,100
Auditors' remuneration - non-audit including internal audit	6,517	4,000

ASPIRE ACADEMY TRUST (HARLOW)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

8. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	766,988	599,308
Social security costs	67,159	48,234
Operating costs of defined benefit pension schemes	132,163	89,643
	966,310	737,185
Supply teacher costs	89,368	72,903
Staff redundancy costs	3,742	-
	1,059,420	810,088

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

	2016	2015
	No.	No.
Management	4	4
Administration and support	22	11
Teachers	5	3
	31	18

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

	2016	2015
	No.	No.
In the band £ 70,001 - £ 80,000	1	1

The key management personnel of the Academy Trust comprise the Trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £263,328 (2015: £282,788).

Included in the above are employer pension contributions of £37,255 (2015: £34,946).

9. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the 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, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

D Garfield (Principal and Trustee)

Remuneration £70,000 - £75,000 (2015: £70,000 - £75,000)

Employer's pension contributions paid £10,000 - £15,000 (2015: £5,000 - £10,000)

During the period ended 31 August 2016, travel and subsistence expenses totalling £493 (2015: £474) were reimbursed or paid directly to 1 trustee (2015: 1 trustee), in relation to their role as an employee.

Other related party transactions involving the Trustees are set out in note 20.

ASPIRE ACADEMY TRUST (HARLOW)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

10. TRUSTEES' AND OFFICERS' INSURANCE

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 and the cost for the year ended 31 August 2016 was included in the total insurance cost.

11. TANGIBLE FIXED ASSETS

	Leasehold property £	Assets under construction £	Motor vehicles £	Furniture and equipment £	Total £
Cost					
At 1 September 2015	3,840,000	1,213,014	27,590	62,409	5,143,013
Additions	1,131,849	-	-	83,085	1,214,934
Transfer between classes	1,213,014	(1,213,014)	-	-	-
At 31 August 2016	<u>6,184,863</u>	<u>-</u>	<u>27,590</u>	<u>145,494</u>	<u>6,357,947</u>
Depreciation					
At 1 September 2015	48,000	-	2,299	4,996	55,295
Charge for the year	49,190	-	5,518	15,311	70,019
At 31 August 2016	<u>97,190</u>	<u>-</u>	<u>7,817</u>	<u>20,307</u>	<u>125,314</u>
Net book value					
At 31 August 2016	<u>6,087,673</u>	<u>-</u>	<u>19,773</u>	<u>125,187</u>	<u>6,232,633</u>
At 31 August 2015	<u>3,792,000</u>	<u>1,213,014</u>	<u>25,291</u>	<u>57,413</u>	<u>5,087,718</u>

12. DEBTORS

	2016 £	2015 £
VAT recoverable	29,125	6,208
Other debtors	6,253	2,947
Prepayments and accrued income	192,750	18,931
	<u>228,128</u>	<u>28,086</u>

ASPIRE ACADEMY TRUST (HARLOW)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

13. CREDITORS: Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	-	9,093
Other taxation and social security	19,370	12,604
Other creditors	14,214	13,126
Accruals and deferred income	597,796	103,341
	631,380	138,164
	631,380	138,164
	2016	2015
	£	£
Deferred income		
Deferred income at 1 September 2015	49,025	249,830
Resources deferred during the year	363,600	49,025
Amounts released from previous years	(49,025)	(249,830)
	363,600	49,025
	363,600	49,025

At the balance sheet date the Academy Trust was holding funds received in advance for commissioned places and, funding relating to the academic year 2016/17.

ASPIRE ACADEMY TRUST (HARLOW)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

14. STATEMENT OF FUNDS

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
Unrestricted funds						
General funds	36,688	16,230	-	-	-	52,918
Restricted funds						
General annual grant (GAG)	60,718	929,138	(806,083)	(1,581)	-	182,192
Other DfE/EFA grants	-	25,660	(25,660)	-	-	-
Other government grants	-	44,625	(44,625)	-	-	-
Start up grant	-	500	(500)	-	-	-
Restricted donations	25,000	50	(25,050)	-	-	-
Commissioners top up fees	-	708,161	(708,161)	-	-	-
Pension reserve	(10,000)	-	(17,000)	-	(49,000)	(76,000)
	<u>75,718</u>	<u>1,708,134</u>	<u>(1,627,079)</u>	<u>(1,581)</u>	<u>(49,000)</u>	<u>106,192</u>
Restricted fixed asset funds						
Restricted fixed asset fund	5,087,718	-	(70,019)	1,214,934	-	6,232,633
Capital grants	-	1,267,321	(53,968)	(1,213,353)	-	-
	<u>5,087,718</u>	<u>1,267,321</u>	<u>(123,987)</u>	<u>1,581</u>	<u>-</u>	<u>6,232,633</u>
Total restricted funds	<u>5,163,436</u>	<u>2,975,455</u>	<u>(1,751,066)</u>	<u>-</u>	<u>(49,000)</u>	<u>6,338,825</u>
Total of funds	<u><u>5,200,124</u></u>	<u><u>2,991,685</u></u>	<u><u>(1,751,066)</u></u>	<u><u>-</u></u>	<u><u>(49,000)</u></u>	<u><u>6,391,743</u></u>

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

General Funds

This represents income received that does not have restrictions on how it is used.

Capital Grants

This represents a grant from the DfE to cover eligible expenditure for project development incurred in establishing the Aspire Academy Trust. Transfers from this fund relate to fixed assets purchased from capital funding.

Other DfE/EFA grants

This represents funding to be used to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

Other government grants

This represents income received to assist pupils who are experiencing significant and complex difficulties with their mental health.

Start up grant

This fund is specifically to assist with the costs of setting up the Academy.

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14. STATEMENT OF FUNDS (continued)

Restricted donations

This represents income received to be used for the renovation of the school kitchen.

Commissioner top up fees

This represents income received to be used for the provision of pupil places at Aspire Academy Trust.

General Annual Grant (GAG)

This represents funding from the EFA to be used for the normal running costs of the Academy, including education and support costs.

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 2016.

Restricted fixed asset funds

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

Pension Reserve

This reserve represents the Academy's share of the deficit on the Local Government Pension Scheme (LGPS).

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds as restated 2015 £
	-	-	-	-	5,087,718
Tangible fixed assets	-	-	6,232,633	6,232,633	-
Current assets	52,918	813,572	-	866,490	260,570
Creditors due within one year	-	(631,380)	-	(631,380)	(138,164)
Provisions for liabilities and charges	-	(76,000)	-	(76,000)	(10,000)
	<u>52,918</u>	<u>106,192</u>	<u>6,232,633</u>	<u>6,391,743</u>	<u>5,200,124</u>

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

	2016 £	2015 £
Net income for the year (as per Statement of Financial Activities)	1,240,619	5,157,972
Adjustment for:		
Depreciation charges	70,019	55,295
Bank interest	(759)	(510)
(Increase)/decrease in debtors	(200,042)	5,322
Increase/(decrease) in creditors	493,216	(167,485)
Defined benefit pension scheme adjustments	17,000	9,000
Donation of assets	-	(3,840,000)
	<u>1,620,053</u>	<u>1,219,594</u>
Net cash provided by operating activities	1,620,053	1,219,594

17. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	638,362	232,484
	<u>638,362</u>	<u>232,484</u>
Total	638,362	232,484

18. 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 Essex County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

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18. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £62,406 (2015 - £46,752).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

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 2016 was £21,288 (2015 - £12,032), of which employer's contributions totalled £53,000 (2015 - £34,000) and employees' contributions totalled £16,000 (2015 - £10,000). The agreed contribution rates for future years are 19.9% for employers and 5.5-12.5% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Expected return on scheme assets at 31 August	2.20 %	5.00 %
Rate of increase in salaries	4.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
Inflation assumption (RPI)	3.20 %	3.60 %

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18. PENSION COMMITMENTS (continued)

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

	2016	2015
Retiring today		
Males	22.9	22.8
Females	25.3	25.2
Retiring in 20 years		
Males	25.2	25.1
Females	27.7	27.6

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

	Fair value at 31 August 2016 £
Equities	87,000
Property	14,000
Other bonds & Other managed funds	11,000
Alternative Assets	5,000
Cash	4,000
Gilts	5,000
Total market value of assets	126,000

The actual return on scheme assets was £12,000 (2015 - £1,000).

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(70,000)	(43,000)
Actual return on scheme assets	-	1,000

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

	2016 £	2015 £
Opening defined benefit obligation	55,000	-
Current service cost	70,000	43,000
Interest cost	3,000	1,000
Contributions by employees	16,000	10,000
Actuarial losses	58,000	1,000
Closing defined benefit obligation	202,000	55,000

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18. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening fair value of scheme assets	45,000	-
Return on plan assets (excluding net interest on the net defined pension liability)	3,000	1,000
Actuarial gains and (losses)	9,000	-
Contributions by employer	53,000	34,000
Contributions by employees	16,000	10,000
	126,000	45,000
Closing fair value of scheme assets	126,000	45,000

19. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	120	120
Between 1 and 5 years	110	330
	230	450
Total	230	450

20. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy'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 financial regulations and normal procurement procedures.

Any transactions where Trustees have a pecuniary interest are only undertaken in accordance with the 'at cost' principle stated in the Academies Financial Handbook.

During the year the company paid support costs of £58,046 (2015: £105,039) to Harlow Education Consortium, a company with two Trustees common to Aspire Academy Trust (Mr Victor Goddard and Ms Rhonda Murthar). These transactions were carried out at cost. £NIL was due to Harlow Education Consortium at the year end.

During the year the company received contributions towards the commissioning of pupil places of £64,000 (2015: £74,667) and paid for the provision of school lunches of £52,120 (2015: £37,882) from Passmores Academy, a company with one Trustee common to Aspire Academy Trust (Mr Victor Goddard). These transactions were carried out at cost. No balance was due to or from Passmores Academy at the year end.

During the year the company received contributions towards the commissioning of pupil places of £72,000 (2015: £72,000) and the hire of the swimming pool of £405 (2015: £40) from Stewards Academy, a company with one Trustee common to Aspire Academy Trust (Ms Rhonda Murthar). These transactions were carried out at cost. No balance was due to or from Stewards Academy at the year end.

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21. 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.

22. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the Academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.