

ASPIRE LEARNING TRUST (WHITTLESEY)
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

ASPIRE LEARNING TRUST (WHITTLESEY)
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	D Barron T Beebe R Dickens E Quigley (resigned 1 March 2019) J Theobalds
Trustees	S Ackerman T Beebe Z Botterill (appointed 1 May 2019) J Digby J Donnachie J King, Chair of Trustees J Mullen J Phillips J Roberts R Simmonds
Company registered number	08006711
Company name	Aspire Learning Trust (Whittlesey)
Principal and registered office	Sir Harry Smith Academy Eastrea Road Whittlesey Cambridgeshire PE7 1XB
Company Secretary	S Munns (resigned 31 July 2019) L Corcoran (appointed 1 August 2019)
Executive Leadership Team	J Digby, Chief Executive Officer J Henderson, Trust Operations Director D White, Principal - Sir Harry Smith Community College R Potter, Deputy Principal - Sir Harry Smith Community College R Litten, Executive Head Teacher - Park Lane and New Road Primary and Nursery Schools R Bains, Deputy Executive Head - Park Lane and New Road Primary and Nursery Schools
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	Lloyds Bank 27-31 Westgate Peterborough PE1 1YH

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Solicitors

Buckles Solicitors LLP
Grant House
101 Bourges Boulevard
Peterborough
PE1 1NG

ASPIRE LEARNING TRUST (WHITTLESEY)
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Aspire Learning Trust (The Trust or the Charitable Company) for the year ended 31 August 2019. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates two primary and one secondary Academies serving a catchment area in Whittlesey, Cambridgeshire. The Academies have a combined capacity of 1750 and had a roll of 1547 in the 2019 summer census.

Structure, Governance and Management

The Trust 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 and Director are interchangeable. The Charitable Company includes the following Academies:

- Sir Harry Smith Community College (SHS) converted on 1st April 2012
- New Road Primary School (NRP) joined the Trust on 1st July 2016
- Park Lane Primary and Nursery School (PLP) joined the Trust on 1st July 2016.

The operation of The Trust's Academies and employment of staff are the responsibility of the Trustees. The Trust retains control of Academy budgets and finances, and monitors these through its Finance Committee. Throughout this report the Board of Trustees is referred to as the Main Governing Body (MGB). Each Academy has appointed Local Governing Bodies (LGB) who have delegated authority to administer their Academy within agreed budgets.

Details of the Trustees who served throughout the period are included in the Reference and Administrative Details section. Within this Report the term Trustee refers to a member of the MGB and the term Governor to a member of an LGB. 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 Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim and details of the costs are disclosed in Note 13 to the accounts.

Method of Recruitment and Appointment or Election of Trustees

Trustees have been recruited from former Governors at SHS as well as from local businesses and other contacts, such as recently retired Headteachers. The Trust has also used Academy Ambassadors to help support Trustee recruitment. The details of potential Trustees are brought before the MGB and their application to join is voted upon by the MGB. The arrangements are as set out in the Articles and Funding Agreement.

Trustees are appointed for a fixed term. The Chief Executive Officer (CEO) is an ex officio member of the MGB. Other 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 plus the CEO.

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TRUSTEES' REPORT (CONTINUED)
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Policies and Procedures Adopted for the Induction and Training of Trustees and Governors

The Trust is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust links with a number of local training providers. New Trustees and Governors are required to attend a training programme. The induction programme would involve a tour of the relevant Academy, meetings with students and staff and provision of policy and procedures documents that are appropriate to the role they undertake with particular emphasis on the committee work that they will undertake.

Organisational Structure

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

The MGB, meets on at least 6 occasions per year and its Finance, Infrastructure and HR Committee meets at least 6 times per year, and the Internal Scrutiny and Risk Committee meets at least 3 times per year. The MGB is responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring the Trust by the use of those budgets and making major decisions about the direction of The Trust, capital expenditure and senior staff appointments. The Governors within their LGB's are responsible for implementing strategic policy, ensuring the appropriateness of annual budgets and capital expenditure projects for their Academy and monitoring performance against that budget and authorised capital limits.

The Senior Leadership Teams (SLT's) control the Academies at an executive level implementing policies and reporting to their LGB. Each SLT is responsible for the day to day operation of their Academy, in particular organising staff, resources and students. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment processes.

The Executive Leadership Team (ELT) looks across the Trust and aligns local SLT and LGB activity with the strategic aims of The Trust as a whole.

The Trust's CEO is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include 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, such as the Academy group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration is approved by the appropriate sub-committee and ratified by the MGB.

Trade union facility time

Trade Union facility time is agreed under the Cambridgeshire scheme.

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

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the MGB 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 Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust'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.

The Trust cooperated with the following organisations during the academic year in pursuit of its charitable activities:

- Thomas Deacon Education Trust
- Eastern Multi-Academy Trust
- Coates Primary School
- Alderman Jacobs Primary School
- Cambridgeshire County Council

The Trust does not have a formal sponsor.

Objectives and Activities

Objects and Aims

The principal object and aim of the Charitable Company is the operation of a number of Academies to provide free education and care for pupils of different abilities within its local community between the ages of 3 and 19.

Objectives, Strategies and Activities

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

- Improving the quality of education in all three Schools.
- Improving the infrastructure in all three Schools.
- Ensuring that the Trust is a viable financial entity.
- Increasing pupil and student number in all three Schools.

Our success in fulfilling our aims can be measured by:

- Successful Ofsted at Sir Harry Smith Community College.
- Successful Ofsted at Park Lane Primary and Nursery School.
- Best ever KS2 outcomes at New Road School.
- Oversubscribed at Sir Harry Smith Community College.
- Balanced budgets set for all three Schools for 2019-20.
- Successful CIF projects for all three Schools worth £1.4 million.
- Successful partnership with the Local Authority for the expansion of New Road School worth £6.2 million.
- Bringing in the independent New Road Pre School into the Trust from September 2019

Public Benefit

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

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

Strategic Report

Achievements and Performance

The Trust continued its mission to ensure that students achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left their Academy.

Specific achievements were as follows:

- Best ever KS2 results at New Road School
- Best ever Progress scores at KS2 at Park Lane School
- Sir Harry Smith Community College judged as still Good by Ofsted Autumn 2018
- Park Lane School judged as Good in Spring 2019
- PL and NR fully staffed for September 2019
- NR pre school becoming part of NR Primary School
- Sir Harry Smith Community College is oversubscribed
- Park Lane School is oversubscribed
- SHS sixth form is growing

Key Performance Indicators

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2018/19 this was 80% against a budgeted 83%. The Trustees are confident that staffing levels are closely monitored to agreed Full Time Equivalents and staffing structures all approved by the MGB.

The Finance, Infrastructure and HR 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 MGB.

Going Concern

After making appropriate enquiries, the Trustees have 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 General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2019 the Trust received £9,977,056 of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £10,251,226 and transferred £20,209 to support capital new build and improvement projects on the various academy sites. The Trust brought forward from 2017/18, £206,655 restricted funds (excluding pension liability) and £938,121 unrestricted funding. The carry forward for 2018/19 is £59,154 restricted funding (excluding pension liability) and £986,745 unrestricted funding.

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Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £5,943,000. 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 Finance Manager. All carry forward is allocated to the Trust's pooled reserves. The Reserves Pooling Policy details the arrangements for the around reserves balances, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £381,745. This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

The Trustees have made a decision to designate unrestricted balances of £163,000 for future capital projects, and is holding other unrestricted funds of £300,000 to cover future increases in costs and expenditure that may arise from uninsurable losses. The Trust holds £605,000 for in year contingencies. The Trust has worked incredibly hard to ensure that all Schools have balanced budgets in 2019/20. Once the new policies are embedded, Trustees will review its policy on identifying a carry forward in its annual budget to assist 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 2019 was £1,045,899.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £1,981,089. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the committee Finance Manager reports and attempt to hold a minimum of £605,000 to cover short term cash flow variances.

Investment Policy

The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise its income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

Principal Risks and Uncertainties

The Trust works with the LGB's in maintaining a central risk register identifying the major risks, to which each Academy is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the MGB via the Internal Scrutiny and Risk Committee and the Finance, Infrastructure and HR Committee with a formal review of the process undertaken on an annual basis. The internal control systems and the exposure to identified risks are monitored on behalf of the Trustees at each Audit & Risk Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academies 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 ESFA, 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.

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As a group of academy schools, 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:

- each Academy within the Trust has considerable reliance on continued Government funding through the ESFA 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 Trust'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 individual Academies 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 Academies 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 Trust has appointed Baldwins Accountants 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 Trust 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 Academy ceasing to exist the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan. The Trust and each Academy have continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Fundraising

The Trust only held small fundraising events during the year including Summer Fayres, Christmas fetes and non-uniform days. The Trust does not work with external professional fundraisers or companies who carry out fundraising on its behalf. All fundraising undertaken during the year was monitored by the Trustees. During the year no complaints or issues have arisen as a result of the fundraising events.

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TRUSTEES' REPORT (CONTINUED)
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Plan for Future Periods

Strategic outcomes: 2019-22

- Improve the standard of pupil and student outcomes, including those with SEND and disadvantaged backgrounds, so that in all areas from early years to post 16, progress is judged as above average.
- All pupils and students receive a well-rounded education to allow them to be good citizens and valuable members of society.
- All Schools in the Trust to be graded as Outstanding by Ofsted.
- All Schools infrastructure inspires high quality learning.
- Grow Aspire Learning Trust to incorporate all Schools in the Whittlesey and Coates area.
- Ensure the infrastructure in all the Schools can meet the need for growth in the future.
- Ensure that all aspects of financial control meet the standards set out in the Academies Financial Handbook.
- The Trust is financially viable.
- Fully implement Trust support systems across all Schools.
- Ensure we have the best possible workforce, through high quality CPD in each School and by attracting the very best candidates to the Schools.

Funds Held as Custodian Trustee on Behalf of Others

The Academy Trust holds no funds as a Custodian Trustee on behalf of other charities. It does however act as agent, holding funds on behalf of the Whittlesey Locality team, Whittlesey Cluster funding, Whittlesey Sea Cadets and Whittlesey Tennis Club. At 31 August 2019 £39,678 (2018: £55,974) was held on behalf of these bodies.

Employees and disabled persons

Employee involvement

Where appropriate the Trust consults on matters such as policy, pay, health, safety and welfare with the relevant support staff and teaching trade unions. The Trust provides information to employees generally by way of email, memoranda and staff meetings.

At each of the Schools, information is channelled via the Leadership meetings. Employees are encouraged to familiarise themselves with Ofsted reports, available from the Trust website and pupil progress and attainment statistics when they are made available.

Equal Opportunities Policy

It is the Trust's policy to ensure equality of opportunities is afforded to staff, students and other stakeholders. Training, career development and promotion opportunities are available to all employees.

Disabled Persons

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitude and abilities. In the event of employees becoming disabled then every effort is made to retrain them in order that their employment within the Trust may continue.

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

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 16 December 2019 and signed on its behalf by:



J King
Chair of Trustees

Date: 16 December 2019

ASPIRE LEARNING TRUST (WHITTLESEY)
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Aspire Learning Trust (Whittlesey) 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 Chief Executive Officer, 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 Learning Trust (Whittlesey) and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of trustees' responsibilities. The Board of Trustees has formally met 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
S Ackerman	6	6
T Beebe	6	6
Z Botterill	2	2
J Digby	6	6
J Donnachie	4	6
J King, Chair of Trustees	3	6
J Mullen	3	6
J Phillips	6	6
J Roberts	4	6
R Simmonds	4	6

The Trust Board has appointed Zoe Botterill to become a Trustee. Zoe brings a wealth of business and education expertise to her role through her work at Pearsons.

The Internal Scrutiny and Risk Committee has grown from the original ACE group. The new Committee met four times in the year to lead on the risk register and associated factors.

A formal tender process for new Auditors took place in the Autumn Term 2018 and Price Bailey LLP was appointed as the Trust's external Auditor in December 2018.

During the tender process, it was decided to appoint a separate audit firm to support the Trust's internal scrutiny function. Baldwins Accountants was selected to provide this function and also appointed in December 2018.

The key challenge for the 2018-19 year was to work with the Schools to curtail their need and expectation that the reserves could continue to be used to back-up annual deficit budgets. Trustees set a clear instruction that the budgets for all Schools for 2019-20 must be balanced, with no further use of the reserves to supplement the revenue costs. This led to formulation of a Deficit Recovery Plan for Sir Harry Smith Community College, implemented by the Headteacher with support from the Accounting Officer. The outcome has resulted in considerable in-year savings and the setting of balanced budgets in all three Schools for 2019-20. This has come at the cost of redundancies, in vacant posts not being filled and a reduction in expenditure on learning resources and other budget lines.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

In terms of outcomes, Sir Harry Smith Community College was inspected by Ofsted in October 2018 and was considered to still be Good. Park Lane Primary and Nursery School was inspected in January 2019 and moved from Requires Improvement to Good. The summer 2019 performance data for New Road Primary School was very strong and the School is self-evaluated as Good; it eagerly awaits its next inspection, which is due during 2019-20.

Ofsted has validated the effectiveness of governance at Aspire Learning Trust twice during the year, with inspections at Sir Harry Smith Community College in November 2018 and at Park Lane Primary and Nursery School in January 2019. Ofsted reported the following observations:

- Governors actively monitor the work of the School. They have a clear understanding of its strengths and weaknesses. With support from the Trust's central staff, they have ensured that the priorities from the previous inspection have been addressed. PL January 2019
- Central staff from the Academy Trust have supported senior leaders and the Local Governing Body (LGB). This has been effective in enhancing the quality of teaching and in improving outcomes, particularly in mathematics and writing. PL January 2019
- Governors have a good overview of the School and are ambitious for its future. With support from the Chief Executive Officer of the Academy Trust they are effective in holding the Executive Headteacher to account for school improvement. PL January 2019
- Governors are clear about the roles they undertake, but sometimes rely too heavily on individual Governors who have specific responsibilities. This means that not all of them have a clear view of some aspects of the school's work. The Board of Governors regularly reviews its own performance and, as a result, has identified areas for improvement. This is enabling the Governor team to be more effective in raising standards. PL January 2019
- The Board of Governors regularly reviews its own performance and, as a result, has identified areas for improvement. This is enabling the Governor team to be more effective in raising standards. PL January 2019
- Governors fulfil their duty to check that policies and procedures for safeguarding are in place and working well so that pupils are kept safe. PL January 2019
- Governors share your commitment to provide the best education and fullest range of opportunities for pupils. Governors provide you with strong support and ask well targeted questions. These, together with regular visits, develop Governors' understanding of standards at the School, and hold leaders to account well. Their challenge helps to secure improvement. SHS October 2018
- Leaders, including Governors, have helped to create and sustain a culture in which pupils' safety is everyone's responsibility. SHS October 2018
- Governors and Trustees challenge and support leaders effectively. Trustees are enabling leaders and Governors to focus on the School's improvement priorities linked to improving the quality of education by ensuring that the School's ongoing building works are managed by others. Governors gain a secure understanding of the School's strengths and weaknesses through asking leaders well-judged questions. Governors, including the Trust's CEO, follow this up by making regular visits to the School. These include discussions with pupils and leaders. Leaders and governors review progress towards the School Improvement Plan targets on a continuous basis. Governors have placed significant emphasis upon ensuring that the curriculum supports pupils' learning within English and Mathematics. They are now starting to support and challenge leaders more regarding the foundation subjects. NR September 2019

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Chair of Trustees and Chief Executive Officer met with the Regional Schools Commissioner in December 2018 to discuss the performance of the Trust and plans for the future. The RSCs said the following about the trust:

- “I was pleased to hear about; the progress at New Road Primary in particular since joining your Trust; the work you have done to ensure you have the right blend of skilled Trustees including clarifying their role and embedding this through a Trust-wide Governor Induction Programme; and how you have introduced to your risk strategy, in commissioning new Auditors to ensure its compliance and how you have established a Risk Management Group for careful management. “

The Trust has also recognised the relative inexperience of the LGB at Sir Harry Smith Community College and has therefore appointed an experienced school leader from a local Multi Academy Trust to join the LGB. The Trust has also appointed an experienced Chair of Governors and Trustee from another local Trust, to provided leadership support for the Chair and Vice Chair of the LGB.

The Finance, Infrastructure and Human Resources Committee is a sub-committee of the MGB. Its purpose is to oversee the financial, infrastructure, HT and Resource issues relating to the Trust.

The key areas covered this year have been:

- The deficit recovery plan.
- The £6.2 million New Road expansion project, in conjunction with the Local Authority.
- CIF bids worth £1.4 million.
- ICT strategy.
- Major HR issues.
- HR and Financial policies.
- The bringing together of the Financial team and systems.
- The addition of the New Road Pre School to the Trust.
- Reserves pooling.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S Ackerman	6	6
T Beebe	3	6
Z Botterill	2	2
J Digby	6	6
J Donnachie	2	6
J King	5	6
J Mullen	1	6
J Phillips	3	6
J Roberts	1	6
R Simmonds	6	6

ASPIRE LEARNING TRUST (WHITTLESEY)
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Internal Scrutiny and Risk Committee is also a sub-committee of the main Board of Trustees. Its purpose is to ensure that the Trust fulfils its obligations and duties under the Academies Financial Handbook.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
T Beebe	4	4
J Phillips	2	4
J Roberts	2	4
R Simmonds	4	4

Review of value for money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during 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 Trust has delivered improved value for money during the year by:

- Implement a successful Deficit Recovery Plan for Sir Harry Smith Community College to ensure that it had a balanced budget for 2019-20.
- Five successful Condition Improvement Fund bids worth £1.4 million to improve the infrastructure in all three Schools.
- A stabilising of the use of reserves for 2019-20 with a growth in reserves planned for 2020-21
- Successful collaboration with the Local Authority resulting in the £6.2 million investment in the expansion of New Road School from 120 pupils to 450, which started in February 2019 and will be completed by April 2020.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Aspire Learning Trust (Whittlesey) 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 Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the 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 Trustees.

ASPIRE LEARNING TRUST (WHITTLESEY)
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Baldwin's Accountants as Internal Auditor.

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

- Review of Board of Governors details and records including minutes of meetings.
- Review of fixed asset register and capitalisation policy.
- Review of various policies including the risk register.
- Review and testing of bank reconciliations and balances.
- Review of management accounts including reconciliation of various control accounts.
- Review and testing of income and debtor systems.
- Review and testing of purchase and creditor systems including procurement procedures.
- Review and testing of payroll systems.
- Review of information available on the website.

On a biannual basis, the Internal Auditor reports to the Board of Trustees through the Internal Scrutiny and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Internal Auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of their work. Reports have been distributed to all the LGBs and to the MGB.

ASPIRE LEARNING TRUST (WHITTLESEY)
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

Review of effectiveness

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

- the work of the Internal Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the 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 Internal Scrutiny and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by the Board of Trustees on 16 December 2019 and signed on their behalf by:



J King
Chair of Trustees



J Digby
Accounting Officer

ASPIRE LEARNING TRUST (WHITTLESEY)
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Aspire Learning Trust (Whittlesey) I have considered my responsibility to notify the Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the 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 Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Trust Board and ESFA:

- The Trust received services at arms' length from Witchford Schools Sports Partnership, a company of which one of the Trustee's close relatives is a director with significant influence over the operations of the company. These transactions were undertaken in accordance with our normal procurement procedures on the basis of achieving value for money for the Trust but are in contravention to the Department for Education's 'at cost' policy as stated in the Academies Financial Handbook 2018. The Trustee in question, who played no part in authorising the contract, Mrs R Simmonds, has resigned from the Board of Trustees as the Trust intends to continue using the supplier.


Jonathon Digby
Accounting Officer
Date: 16 December 2019

ASPIRE LEARNING TRUST (WHITTLESEY)
(A company limited by guarantee)

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

The Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make 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; 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by the Board of Trustees on 16 December 2019 and signed on its behalf by:



J King
Chair of Trustees

ASPIRE LEARNING TRUST (WHITTLESEY)
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASPIRE LEARNING TRUST (WHITTLESEY)

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

ASPIRE LEARNING TRUST (WHITTLESEY)
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASPIRE LEARNING TRUST (WHITTLESEY) (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

ASPIRE LEARNING TRUST (WHITTLESEY)
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASPIRE
LEARNING TRUST (WHITTLESEY) (CONTINUED)**

Responsibilities of Trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

Mr 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

18 December 2019

ASPIRE LEARNING TRUST (WHITTLESEY)
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 9 July 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Aspire Learning Trust (Whittlesey) 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 Learning Trust (Whittlesey) and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Aspire Learning Trust (Whittlesey) and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Aspire Learning Trust (Whittlesey) and ESFA, for our work, for this Report, or for the conclusion we have formed.

Respective responsibilities of Aspire Learning Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Aspire Learning Trust (Whittlesey)'s funding agreement with the Secretary of State for Education dated 1 July 2016 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

- An assessment of the risk of material irregularity, impropriety and non-compliance.
- Consideration and corroboration of the evidence supporting the Accounting Officer's Statement on Regularity, Propriety and Compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity, propriety and compliance.
- 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, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

ASPIRE LEARNING TRUST (WHITTLESEY)
(A company limited by guarantee)

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

Conclusion

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

Reporting Accountant

Price Bailey LLP

Date: 18 December 2019

ASPIRE LEARNING TRUST (WHITTLESEY)
(A company limited by guarantee)

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	54,019	89,098	1,189,820	1,332,937	38,493
Charitable activities	4	257,395	8,216,280	-	8,473,675	8,266,235
Other trading activities	5	167,553	-	-	167,553	50,625
Investments	6	2,891	-	-	2,891	6,078
Other income		-	-	-	-	48,771
Total income		481,858	8,305,378	1,189,820	9,977,056	8,410,202
Expenditure on:						
Raising funds		-	-	-	-	2,460
Charitable activities	7	413,025	8,856,879	981,322	10,251,226	9,608,371
Total expenditure		413,025	8,856,879	981,322	10,251,226	9,610,831
Net income/ (expenditure)		68,833	(551,501)	208,498	(274,170)	(1,200,629)
Transfers between funds	18	(20,209)	-	20,209	-	-
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(2,033,000)	-	(2,033,000)	970,000
Net movement in funds		48,624	(2,584,501)	228,707	(2,307,170)	(230,629)
Reconciliation of funds:						
Total funds brought forward		938,121	(3,299,345)	19,689,473	17,328,249	17,558,878
Net movement in funds		48,624	(2,584,501)	228,707	(2,307,170)	(230,629)
Total funds carried forward		986,745	(5,883,846)	19,918,180	15,021,079	17,328,249

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 27 to 52 form part of these financial statements.

ASPIRE LEARNING TRUST (WHITTLESEY)

(A company limited by guarantee)

REGISTERED NUMBER: 08006711

**BALANCE SHEET
AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	19,219,081	19,689,473
		<u>19,219,081</u>	<u>19,689,473</u>
Current assets			
Stocks	15	257	257
Debtors	16	687,757	253,197
Cash at bank and in hand		1,981,089	1,322,525
		<u>2,669,103</u>	<u>1,575,979</u>
Creditors: amounts falling due within one year	17	(924,105)	(431,203)
		<u>1,744,998</u>	<u>1,144,776</u>
Net current assets		<u>1,744,998</u>	<u>1,144,776</u>
Total assets less current liabilities		<u>20,964,079</u>	<u>20,834,249</u>
Defined benefit pension scheme liability	23	(5,943,000)	(3,506,000)
Total net assets		<u><u>15,021,079</u></u>	<u><u>17,328,249</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	18	19,918,180	19,689,473
Restricted income funds	18	59,154	206,655
		<u>19,977,334</u>	<u>19,896,128</u>
Restricted funds excluding pension liability	18	19,977,334	19,896,128
Pension reserve	18	(5,943,000)	(3,506,000)
		<u>14,034,334</u>	<u>16,390,128</u>
Total restricted funds	18	<u>14,034,334</u>	<u>16,390,128</u>
Unrestricted income funds	18	986,745	938,121
		<u>15,021,079</u>	<u>17,328,249</u>
Total funds		<u><u>15,021,079</u></u>	<u><u>17,328,249</u></u>

The financial statements on pages 24 to 52 were approved by the Trustees, and authorised for issue on 16 December 2019 and are signed on their behalf, by:


J King
 Chair of Trustees
 16 December 2019

ASPIRE LEARNING TRUST (WHITTLESEY)
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	675,882	(438,568)
Cash flows from investing activities	21	(17,318)	(28,069)
Change in cash and cash equivalents in the year		658,564	(466,637)
Cash and cash equivalents at the beginning of the year		1,322,525	1,789,162
Cash and cash equivalents at the end of the year	22	<u>1,981,089</u>	<u>1,322,525</u>

The notes on pages 27 to 52 form part of these financial statements

ASPIRE LEARNING TRUST (WHITTLESEY)
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Aspire Learning Trust (Whittlesey) meets the definition of a public benefit entity under FRS 102.

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

1.2 Going concern

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

1.3 Company Status

The Trust is a Company limited by guarantee. The Members are the Trustees named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member. The Trust's registered office is Sir Harry Smith Academy, Eastrea Road, Whittlesey, Cambridgeshire, PE7 1XB.

ASPIRE LEARNING TRUST (WHITTLESEY)
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.4 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Trust has provided the goods or services. It has been accounted for as 'Other Trading Activities' on the face of the Statement of Financial Activity in the current year.

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.

• **Expenditure on raising funds**

This includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes costs of all lettings activity undertaken.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

ASPIRE LEARNING TRUST (WHITTLESEY)
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.6 Interest receivable

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

1.7 Tangible fixed assets

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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

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

Land and buildings	- 50 year straight line
Furniture and equipment	- 3-4 years straight line

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

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at bank and in hand

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

ASPIRE LEARNING TRUST (WHITTLESEY)
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.11 Liabilities

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

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 Operating leases

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

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1. Accounting policies (continued)

1.14 Pensions

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

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

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

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

1.15 Agency arrangements

The Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of the funds. The Trust acts as agent in respect of the Whittlesey Locality and Whittlesey Sea Cadets. The funds received and paid and any balances held are disclosed in note 27.

1.16 Fund accounting

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

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

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

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2. Critical accounting estimates and areas of judgment

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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.

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	54,019	89,098	-	143,117	6,039
Capital grants	-	-	1,189,820	1,189,820	32,454
	<u>54,019</u>	<u>89,098</u>	<u>1,189,820</u>	<u>1,332,937</u>	<u>38,493</u>
Total 2018	<u>1,443</u>	<u>4,596</u>	<u>32,454</u>	<u>38,493</u>	

In 2018, income from donations was £6,039 of which £1,443 was unrestricted and £4,596 restricted.

In 2019, capital grants of £1,189,820 (2018 - £32,454) were in relation to restricted fixed assets.

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4. Funding for the Trust's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant	-	6,898,669	6,898,669	6,722,473
Other DfE / ESFA grants	-	581,020	581,020	428,159
	-	7,479,689	7,479,689	7,150,632
Other government grants				
Local Authority grants	-	736,591	736,591	690,441
	-	736,591	736,591	690,441
Other incoming resources				
Catering income	257,395	-	257,395	425,162
	257,395	8,216,280	8,473,675	8,266,235
Total 2018	423,499	7,842,736	8,266,235	

In 2018, income from DFE/ESFA grants was £7,150,632 of which all was restricted.

In 2018, income from other government grants was £690,441 of which all was restricted.

In 2018, income from catering was £425,162 of which £423,499 was unrestricted and £1,663 was restricted.

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Hire of facilities	32,079	32,079	30,386
Other income	135,474	135,474	20,239
	167,553	167,553	50,625

In 2018, all income from other trading activities was unrestricted.

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6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Interest from short term deposits	2,891	2,891	6,078
	2,891	2,891	6,078

In 2018, all investment income was unrestricted.

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Trust educational operations					
Direct costs	6,522,342	490,603	691,336	7,704,281	6,915,638
Support costs	1,064,488	878,492	603,965	2,546,945	2,692,733
Total 2019	7,586,830	1,369,095	1,295,301	10,251,226	9,608,371
Total 2018	7,440,274	959,985	1,208,112	9,608,371	

In 2019, of the total expenditure, £413,025 (2018 - £480,337) was made from unrestricted funds, £8,856,879 (2018 - £8,631,642) was made from restricted funds, and £981,322 (2018 - £498,852) was made from restricted fixed asset funds.

In 2018, direct expenditure consisted of £5,852,049 staff costs, £498,852 premises costs and £567,197 other costs.

In 2018, support expenditure consisted of £1,588,225 staff costs, £461,133 premises costs and £643,375 other costs.

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Charitable Activities

	2019 £	2018 £
Direct costs	7,704,281	6,915,638
Support costs	2,546,945	2,692,733
	10,251,226	9,608,371

	2019 £	2018 £
Analysis of support costs		
Support staff costs	1,064,488	1,588,225
Technology costs	42,374	143,251
Premises costs	878,492	461,133
Other support costs	520,877	451,598
Governance costs	40,714	48,526
	2,546,945	2,692,733

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	64,402	64,035
Depreciation of tangible fixed assets	490,601	498,852
Fees paid to Auditors for:		
- audit	8,950	17,950
- other services	7,300	12,425
	8,950	17,950

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	5,922,191	5,445,086
Social security costs	498,372	463,376
Pension costs	985,700	928,640
	<u>7,406,263</u>	<u>6,837,102</u>
Agency staff costs	134,568	219,051
Staff restructuring costs	12,741	350
Staff development and other staff costs	33,258	53,771
Total staff expenditure	<u><u>7,586,830</u></u>	<u><u>7,110,274</u></u>

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	85	92
Administration and support	154	158
Management	16	8
	<u>255</u>	<u>258</u>

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 £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	2
In the band £90,001 - £100,000	1	-
In the band £110,001 - £120,000	1	1

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff costs (continued)

d. Key management personnel

The key management personnel of the Trust comprise the Trustees and the Executive Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension costs and employer national insurance) received by key management personnel for their services for the Trust was £622,400 (2018: £556,603). Included in the above are employer National Insurance Costs of £59,182 and employer pension contributions of £82,474.

11. Central services

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

- Financial services;
- legal services;
- audit;
- support services.

The Trust charges for these services on the following basis:

Flat percentage of GAG funding at 4.5% (2018: 3.4%).

The actual amounts charged during the year were as follows:

	2019 £	2018 £
New Road Primary School	23,537	17,750
Park Lane Primary School and Nursery	61,841	46,663
Sir Harry Smith Community College	225,550	163,032
Total	310,928	227,445

12. Trustees' remuneration and expenses

One Trustee (the CEO) has been paid remuneration from their employment with the Trust. The CEO only receives remuneration in respect of services they provide undertaking the role of CEO under their contract of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019 £	2018 £
J Digby	Remuneration	115,000- 120,000	115,000- 120,000
	Pension contributions paid	15,000- 20,000	15,000- 20,000

During the year ended 31 August 2019, Trustee expenses of £742 have been incurred (2018 - £NIL).

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

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13. Trustees' and Officers' insurance

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

14. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Total £
Cost or valuation			
At 1 September 2018	22,825,000	314,316	23,139,316
Additions	-	20,209	20,209
	22,825,000	334,525	23,159,525
Depreciation			
At 1 September 2018	3,241,643	208,200	3,449,843
Charge for the year	426,048	64,553	490,601
	3,667,691	272,753	3,940,444
Net book value			
At 31 August 2019	19,157,309	61,772	19,219,081
At 31 August 2018	19,583,357	106,116	19,689,473

Land valued at £1,523,000 is included in freehold property and is not depreciated.

15. Stocks

	2019 £	2018 £
Stock	257	257

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16. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	16,899	22,128
Other debtors	7,452	-
Prepayments and accrued income	591,695	124,351
VAT recoverable	71,711	106,718
	687,757	253,197
	687,757	253,197

17. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	192,999	77,965
Other taxation and social security	125,995	115,893
Other creditors	59,293	78,289
Accruals and deferred income	545,818	159,056
	924,105	431,203
	924,105	431,203
	2019 £	2018 £
Deferred income at 1 September 2018	86,124	68,768
Resources deferred during the year	67,364	86,124
Amounts released from previous periods	(86,124)	(68,768)
	67,364	86,124
	67,364	86,124

Deferred income relates to amounts received for future trips, universal free school meals and Devolved Formula Capital funding.

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18. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted funds	938,121	481,858	(413,025)	(20,209)	-	986,745
Restricted general funds						
General Annual Grant (GAG)	180,841	6,898,669	(7,079,510)	-	-	-
Other DfE/ESFA grants	17,193	510,664	(495,476)	-	-	32,381
Other Government grants	1,519	806,947	(783,252)	-	-	25,214
Other restricted funds	7,102	-	(5,543)	-	-	1,559
Restricted trip donations	-	89,098	(89,098)	-	-	-
Pension reserve	(3,506,000)	-	(404,000)	-	(2,033,000)	(5,943,000)
	<u>(3,299,345)</u>	<u>8,305,378</u>	<u>(8,856,879)</u>	<u>-</u>	<u>(2,033,000)</u>	<u>(5,883,846)</u>
Restricted fixed asset funds						
Restricted fixed assets	19,689,473	-	(490,603)	20,209	-	19,219,079
Condition Improvement Funding	-	1,082,910	(474,900)	-	-	608,010
Devolved Formula Capital	-	106,910	(15,819)	-	-	91,091
	<u>19,689,473</u>	<u>1,189,820</u>	<u>(981,322)</u>	<u>20,209</u>	<u>-</u>	<u>19,918,180</u>
Total Restricted funds	<u>16,390,128</u>	<u>9,495,198</u>	<u>(9,838,201)</u>	<u>20,209</u>	<u>(2,033,000)</u>	<u>14,034,334</u>
Total funds	<u><u>17,328,249</u></u>	<u><u>9,977,056</u></u>	<u><u>(10,251,226)</u></u>	<u><u>-</u></u>	<u><u>(2,033,000)</u></u>	<u><u>15,021,079</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

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

Unrestricted funds

This fund represents those resources which may be used towards meeting any of the charitable objects of the Trust at the discretion of the Trustees.

General Annual Grant (GAG)

The General Annual Grant (GAG) must be used for the normal running costs of the Trust's Academies. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the GAG that it could carry forward at 31 August 2019.

Other DfE/ESFA grants

Other DfE/ESFA grants include:

- Pupil Premium, which must be used to support the cost of providing education and free school meals to those children entitled to free school meals.
- Universal infant free school meals funding must be used to provide free school meals to infant school pupils.

Other Government grants

Other Government grants include:

- Special Educational Needs (SEN) funding which represents grants received in order to provide additional teaching resources for children with special learning needs. The cost of these teaching resources has been set against the income.
- Funding delegated to schools to provide an opportunity to make their provision tailored to the needs of the students which was previously met by the Local Authority. The Trust has developed its own behaviour support on-site in order to diminish the volume of educated other than at school students.
- Growth funding from Cambridgeshire Country Council for 3 and 4 year olds at Park Lane Nursery, to be spent on the running costs of the nursery as the school experiences a significant growth in pupil numbers.

Other restricted funds

This represents lower level grants and donations received for a particular purpose. Any relevant costs have been offset against this income.

Restricted trip donations

This represents contributions from parents towards the cost of running educational trips for the Trust's students.

Pension reserve

This represents the Trust's share of the net liability of the Local Government Pension Scheme.

Restricted fixed assets

Restricted fixed 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. Transfers to this fund represent the cost of fixed assets purchased using other sources of funding.

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18. Statement of funds (continued)

Devolved Formula Capital

This fund represents the annual formula based capital allocation received from the ESFA.

Condition Improvement Funding

This fund represents capital funding awarded to the Trust under a bidding process for specific projects across the Trust's estate.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Central Services	1,045,899	1,144,776
Restricted fixed asset fund	19,918,180	19,689,473
Pension reserve	(5,943,000)	(3,506,000)
Total	15,021,079	17,328,249

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Central Services	439,439	119,377	9,032	113,742	681,590	717,438
Park Lane Primary School and Nursery	1,219,272	284,736	78,534	467,430	2,049,972	1,788,392
Sir Harry Smith Community College	3,263,189	1,612,474	187,571	1,217,914	6,281,148	5,879,375
Central Services	-	259,332	-	84,581	343,913	726,774
Trust	<u>4,921,900</u>	<u>2,275,919</u>	<u>275,137</u>	<u>1,883,667</u>	<u>9,356,623</u>	<u>9,111,979</u>

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18. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains and transfers in/out £	Balance at 31 August 2018 £
Unrestricted funds					
Unrestricted funds	888,042	530,416	(480,337)	-	938,121
Restricted general funds					
General Annual Grant (GAG)	536,848	6,722,473	(7,044,333)	(34,147)	180,841
Other DfE/ESFA grants	785	460,613	(444,205)	-	17,193
Other Government grants	2,133	690,441	(691,055)	-	1,519
Other restricted funds	17,892	6,259	(17,049)	-	7,102
Pension reserve	(4,041,000)	-	(435,000)	970,000	(3,506,000)
	<u>(3,483,342)</u>	<u>7,879,786</u>	<u>(8,631,642)</u>	<u>935,853</u>	<u>(3,299,345)</u>
Restricted fixed asset funds					
Transfer on conversion	20,068,536	-	(426,048)	-	19,642,488
Assets purchased post conversion	85,642	-	(72,804)	34,147	46,985
	<u>20,154,178</u>	<u>-</u>	<u>(498,852)</u>	<u>34,147</u>	<u>19,689,473</u>
Total Restricted funds	<u>16,670,836</u>	<u>7,879,786</u>	<u>(9,130,494)</u>	<u>970,000</u>	<u>16,390,128</u>
Total funds	<u><u>17,558,878</u></u>	<u><u>8,410,202</u></u>	<u><u>(9,610,831)</u></u>	<u><u>970,000</u></u>	<u><u>17,328,249</u></u>

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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	(325,307)	-	19,544,388	19,219,081
Current assets	1,292,590	1,002,721	373,792	2,669,103
Creditors due within one year	19,462	(943,567)	-	(924,105)
Provisions for liabilities and charges	-	(5,943,000)	-	(5,943,000)
Total	986,745	(5,883,846)	19,918,180	15,021,079

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	-	-	19,689,473	19,689,473
Current assets	965,958	610,021	-	1,575,979
Creditors due within one year	(27,837)	(403,366)	-	(431,203)
Provisions for liabilities and charges	-	(3,506,000)	-	(3,506,000)
Total	938,121	(3,299,345)	19,689,473	17,328,249

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NOTES TO THE FINANCIAL STATEMENTS
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20. Reconciliation of net expenditure to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the year (as per statement of financial activities)	(274,170)	(1,200,629)
Adjustments for:		
Depreciation	490,601	498,852
Interest receivable	(2,891)	(6,078)
Defined benefit pension scheme liability movements	404,000	435,000
Decrease in stocks	-	243
Increase in debtors	(434,560)	(41,999)
Increase/(decrease) in creditors	492,902	(123,957)
Net cash provided by/(used in) operating activities	675,882	(438,568)

21. Cash flows from investing activities

	2019 £	2018 £
Interest	2,891	6,078
Purchase of tangible fixed assets	(20,209)	(34,147)
Net cash used in investing activities	(17,318)	(28,069)

22. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	1,981,089	1,322,525
Total cash and cash equivalents	1,981,089	1,322,525

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

23. Pension commitments

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

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

Contributions amounting to £NIL were payable to the schemes at 31 August 2019 (2018 - £NIL).

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities.

In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

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NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

The employer's pension costs paid to TPS in the year amounted to £591,665 (2018 - £574,840).

A copy of the latest valuation report can be found by following this link to the [Teachers' Pension Scheme website](#)

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

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £495,000 (2018 - £455,000), of which employer's contributions totalled £394,000 (2018 - £363,000) and employees' contributions totalled £ 101,000 (2018 - £92,000). The agreed contribution rates for future years are 25 per cent for employers and between 5.5% to 12.5% per cent for employees.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	2.60	2.60
Rate of increase for pensions in payment/inflation (CPI)	2.30	2.30
Discount rate for scheme liabilities	1.90	2.80
Inflation assumption (RPI)	3.30	3.30
Commutation rate	25	50

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	22.4	22.4
Females	24.4	24.4
<i>Retiring in 20 years</i>		
Males	24.0	24.0
Females	26.3	26.3

As at 31 August 2019 the Trust had a pension liability of £5,539,000 (2018 - £3,506,000). The sensitivity analysis detailed below would increase/ (decrease) the closing defined benefit obligation in the following way:

Sensitivity analysis

	2019	2018
Discount rate +0.1%	(275,626)	(210,308)
Discount rate -0.1%	275,626	210,308
Mortality assumption - 1 year increase	84,080	60,088
Mortality assumption - 1 year decrease	(84,808)	(60,088)
CPI rate +0.1%	233,222	195,286
CPI rate -0.1%	(233,222)	195,286

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23. Pension commitments (continued)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	3,493,000	3,163,950
Other bonds	606,000	440,550
Property	512,000	280,350
Other assets	47,000	120,150
Total market value of assets	4,658,000	4,005,000

The actual return on scheme assets was £201,000 (2018 - £278,000).

The amounts recognised in the Statement of financial activities are as follows:

	2019 £	2018 £
Current service cost	659,000	693,000
Past service cost	37,000	-
Interest cost	102,000	105,000
Total amount recognised in the Statement of financial activities	798,000	798,000

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

	2019 £	2018 £
At 1 September	7,511,000	7,356,000
Current service cost	659,000	693,000
Interest cost	220,000	193,000
Employee contributions	101,000	92,000
Actuarial losses/(gains)	2,116,000	(970,000)
Benefits paid	(43,000)	(43,000)
Past service costs	37,000	-
At 31 August	10,601,000	7,321,000

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23. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	4,005,000	3,315,000
Interest income	118,000	88,000
Actuarial gains	83,000	-
Employer contributions	394,000	-
Employee contributions	101,000	92,000
Benefits paid	(43,000)	(43,000)
At 31 August	<u>4,658,000</u>	<u>3,452,000</u>

24. Operating lease commitments

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

	2019 £	2018 £
Not later than 1 year	58,068	64,402
Later than 1 year and not later than 5 years	247,950	249,017
Later than 5 years	314,951	378,141
	<u>620,969</u>	<u>691,560</u>

25. 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 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.

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26. Related party transactions

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, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

Improve IT - a company of which R Simmonds (a Trustee) is a close relative of a director with significant influence over the company.

The trust purchased school sports services from the above company totalling £9,727 during the year. There were no amounts outstanding at 31 August 2019.

The Trust made the above purchases at arms' length in accordance with its financial regulations. R Simmonds neither influenced nor gained financially from the above transactions.

The spouse of one Trustee, J Donnachie is employed by the Trust. The employee is on a contract approved by the Trustees. Their remuneration package is in line with the standard payscale for the role undertaken and their employment contract is subject to normal terms and conditions.

27. Agency arrangements

The Trust distributes 16-19 Bursary Funds to students as an agent for the ESFA. In the year it received £10,301 and disbursed £6,854, with an amount of £16,098 repayable by the Trust at the 31 August 2019, included in other creditors (2018: £12,651).

The Trust also acts as an agent in respect of the Whittlesey Locality, Whittlesey cluster funding, Whittlesey Sea Cadets and Whittlesey Tennis Club. The amount held at year end was £39,678 (2018: 55,975). This balance is included within other creditors.