

REGISTERED COMPANY NUMBER: 07650619 (England and Wales)

**REPORT OF THE GOVERNORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 AUGUST 2016
FOR
ACTIVE EDUCATION ACADEMY TRUST**

FKCA Limited
Statutory Auditor
Prospero House
46-48 Rothesay Road
Luton
Bedfordshire
LU1 1QZ

ACTIVE EDUCATION ACADEMY TRUST
CONTENTS OF THE FINANCIAL STATEMENTS
for the Year Ended 31 AUGUST 2016

	Page
Reference and Administrative Details	1
Report of the Governors	2 to 6
Governance Statement	7 to 10
Statement on Regularity, Propriety and Compliance	11
Governors Responsibility Statement	12
Report of the Independent Auditors	13 to 14
Independent Auditor's Report on Regularity	15
Statement of Financial Activities	16
Balance Sheet	17
Notes to the Financial Statements	18 to 29
Detailed Statement of Financial Activities	30 to 31

ACTIVE EDUCATION ACADEMY TRUST
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016

GOVERNORS

Mrs J Law
Mr J D Williets
Ms H G Barnett
Ms T E Chivers
Mrs F E Bloxham
Mr S D Kendall
Mrs R Mahmood
Mr K Miah
Ms S Reay (Head Teacher)

REGISTERED OFFICE

Wigmore Hall
Wigmore Valley Park
Eaton Green Road
Luton
Bedfordshire
LU2 9JB

REGISTERED COMPANY NUMBER 07650619 (England and Wales)

AUDITORS

FKCA Limited
Statutory Auditor
Prospero House
46-48 Rothesay Road
Luton
Bedfordshire
LU1 1QZ

BANKERS

The Co-operative Bank
2-6 Alma Street
Luton
Beds
LU1 2PL

ACTIVE EDUCATION ACADEMY TRUST

REPORT OF THE GOVERNORS for the Year Ended 31 AUGUST 2016

The governors who are also directors of the academy trust for the purposes of the Companies Act 2006, present their report with the financial statements of the academy trust for the year ended 31 August 2016. The governors have adopted the provisions of 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) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education Funding Agency.

The governors present their annual report together with the financial structure and auditors reports of the charitable company for the period 1st September 2015 to 31st August 2016. The annual report serves the purposes of both a trustees' report and a governors' report under company law.

Active Education Academy Trust operates River Bank Primary School a free school in the Biscot ward of Luton. During the academic year 2015/2016 the school admitted pupils into Reception, Year 1 and Year 2.

OBJECTIVES AND ACTIVITIES

Objectives, aims and a summary of the year

The object of the academy trust is to advance for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

During the financial year the Academy provided free education to pupils of Reception, Year 1 and Year 2 age.

Public benefit

The governors confirm that they have given due consideration to the Charity Commission guidance on the operation of the Public Benefit requirement.

ACTIVE EDUCATION ACADEMY TRUST

REPORT OF THE GOVERNORS for the Year Ended 31 AUGUST 2016

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The percentage of children achieving a good level of development was 67.6% (111 pupils) compared to 51.3% in 2015. The local authority's provisional average for 2016 was 64.6% and the national figure for 2015 was 66%. This indicates significant improvements in the quality of teaching, learning and assessment during the last academic year.

Girls outperformed boys in every area of learning and this mirrors both the local and national picture. The gender gap at River Bank is narrowing in literacy (reading and writing) and mathematics (numbers and shape, space and measures) when comparing results to the previous years. The percentage of girls achieving a good level of development is 74.6% compared to 53.8% in 2015 and 74.3% nationally (2015). The percentage of boys achieving a good level of development was 56.8% compared to 43.6% in 2015 and 56% nationally (2015). Children eligible for Free School Meals (FSM) achieved better than the national average and Non FSM pupils. It should be noted that this was only a small group of children so we need to be careful about drawing conclusions.

Phonics Screening Check Year 1 and Retake in Year 2

The percentage of children achieving a pass score of 32 was 73.5% compared to 50% in 2015. This is a significant increase of 23.5%. In 2015, the local authority average was 74% and nationally 77%. 70.5% of boys passed compared to 77% of girls. In 2015, 65% of girls achieved the pass mark compared to 38% of boys. Improvements in outcomes are the result of using a structured programme and providing consistently good teaching. The gap between boys' and girls' performance has also significantly decreased. 79% of pupils who re-took the check in Year 2 passed. 82% were girls and 76% boys.

Key Stage 1 Outcomes

The percentage of children (57) achieving the expected standard or working at greater depth in Reading was 54.4%, 38.6% in Writing and 66.7% in Maths. There is yet no local authority or national comparison.

Girls performed better than boys across all subjects, but specifically with Reading and Writing.

60% of girls achieved the expected standard or working at greater depth in Reading, 40% in Writing and 60% in Maths. 43% of boys achieved the expected standard or working at greater depth in Reading, 22% in Writing and 57% in Maths. Pupil Premium pupils (PP) (6 pupils) achieved less well than NFSM, with 40% Reading, 20% in Writing and 40% Maths. Some of these pupils are on the SEND register, and while not achieving the expected standard did make good progress from their starting points.

A tighter programme of intervention will be implemented across the school to improve progress and outcomes for all groups of learners, in particular boys and PP pupils, in Year 3 from September 2016.

FINANCIAL REVIEW

Investment policy and objectives

The Academy trust has the power to make investment decisions as it holds cash balances. Surplus funds are held in an instant access deposit account.

Reserves policy

The Governing Body has developed and adopted a framework in line with the EFA academies financial handbook. The principle source of funding for the year has been the grants received from the Education Funding Agency (EFA) (operating and capital). These are shown as restricted funds in the Statement of Financial Activities. Grants were received for the operation of the Academy as well as capital grants received for the construction of the new school building. The Governing Body review the reserve policy on a regular basis to ensure that reserves are maintained at a level that is consistent with the Academy Trust having sufficient funds to operate at its planned activity levels taking into account the various financial risk factors that have been identified.

The Unrestricted Fund Reserves are there to build up for future investments. The Restricted Fund Reserves are there to cover potential shortfalls in future years as the school is in a growing phase. The Restricted Fixed Asset Fund Reserves are there to cover the future depreciation of the building and other Fixed Assets as the funds were provided for the purpose of building and fitting out the new school building.

Going concern

After making appropriate enquires the board of governors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

ACTIVE EDUCATION ACADEMY TRUST

REPORT OF THE GOVERNORS for the Year Ended 31 AUGUST 2016

FINANCIAL REVIEW

Financial Review

During the year ended 31st August 2016 total operating expenditure excluding depreciation of £1,455,801 was fully covered by grant funding from the EFA and other incoming resources. The capital grant from the EFA & LBC received in the year has been used to fund further capital equipment needed by the school in particular IT and class equipment. The expenditure growth from the previous year is due to the increased number of pupils with the addition of an extra year group of approximately 120 more pupils. Principal expenditure was on staffing costs, education supplies & premises related expenditure. Reserves have increased and are carried forward to cover any shortfalls in future years as the post opening grant reduces, it is also there to cover unexpected expenditure or shortfalls in income.

FUTURE PLANS

The future plan for the academy trust is to continue to expand annually until the academy includes all years from Year R to Year 6. During the Academic Year 2015-2016 the school had pupils in Year R, Year 1 and Year 2.

The Academy Trust has been working to achieve the desired aim of establishing a comprehensive programme of community use. Currently there is community use on 6 days per week with usage by local community groups such as the Scouts and also a number of fitness related activities for targeted groups. Holiday activities commenced this year and will continue to grow in future years.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The governors of Active Education Academy Trust are also directors of the charitable company for the purposes of company law. The charitable company is known as Active Education Academy Trust. The free school operated by Active Education Academy Trust is known as River Bank Primary School.

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

Members' liability

Each member of the academy 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 £1, for the debts and liabilities contracted before they ceased to be a member.

Recruitment and appointment of new Governors

As set out in the Articles of Association the Members are responsible for the recruitment and appointment of Governors, the Members may appoint up to 8 Governors; Staff Governors including the Principal must not exceed one third of the total number of Governors; a Parent Governor must be a parent of a pupil at the Academy at the time of election.

The Members will give consideration to the skills and experience mix of Governors in order to ensure the Governors have the necessary skills to contribute fully to the Academy's development.

ACTIVE EDUCATION ACADEMY TRUST

REPORT OF THE GOVERNORS for the Year Ended 31 AUGUST 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

Active Education Academy Trust is governed by a board of governors (the Governing Body) constituted under a memorandum of association and articles of association. The Governing Body is responsible for ensuring that high standards of corporate governance are maintained. It exercises its powers and functions with a view to fulfilling a largely strategic leadership role in the running of the Academy, addressing such matters as:-

- Policy development & strategic development
- Ensuring sound management and administration of the Academy
- Ensuring compliance with legal requirements
- Establishing and maintaining effective internal controls
- The management of all resources
- The monitoring of performance
- Helping the Academy to be responsive to the needs of parents, carers and the community
- Assessing and managing risk

Governors are responsible for setting general policy, adapting an annual plan and budget, monitoring the Academy by the use of Budgets and strategic development plan and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The governors meet a minimum of once per term and have also established two sub-committees, meeting a minimum of once per term. Governors have established an overall framework for the governance of the academy which determines membership, terms of reference and procedures for the full governing body and the associated subcommittee. The two sub-committees are Curriculum and Standards, and Resources, Finance and Audit.

The full governing body receives reports, including policies, from its committees for ratification. The activity of the sub-committee is monitored through minutes of meetings. The governors have further agreed that they may, from time to time, establish working groups to perform specific tasks over a set time scale.

Induction and training of new governors

Governors have agreed that on appointment all new governors will undertake an induction which includes meetings with the Head teacher, Chair of Governors and a Member. Newly appointed governors will receive a copy of Charity Commission's 'The Essential Trustee' and the memorandum and articles of association for the Academy Trust. They are also referred to the Academies Financial Handbook and the Active Education Academy Trust Funding Agreement.

The Academy trust has appointed an experienced and high quality Clerk who supports Governors and notifies them of appropriate on-going Governor training.

Connected Organisations including related parties

Active Luton Limited is a related party entity and a founder member of the academy. Active Luton Limited provided services relating to project management, financial, facilities management, professional and educational services to support the premises and operational management of the Academy Trust and River Bank Primary School.

Service Level Agreements were established to clearly identify the role of Active Luton Limited in the provision of the above services which have been provided on a cost only basis.

Service Level Agreements were also established with Luton Borough Council for the provision of support related to School Improvement; Appeals & Admissions; HR Support & Payroll; Occupational Health, Special Education Needs and Education welfare.

Risk management

The governors have a duty to identify and review the risks to which the academy trust is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Academy follows an appropriate risk management process which identifies the types of risk the Academy faces. A risk register has been produced by the Governing Body and, is reviewed and updated regularly.

ACTIVE EDUCATION ACADEMY TRUST

**REPORT OF THE GOVERNORS
for the Year Ended 31 AUGUST 2016**

PRINCIPAL RISKS AND UNCERTAINTIES

During the course of this academic year, the governing body has developed a comprehensive risk register and agreed a process for review. Systems and procedures have been developed by the Academy Trust to manage the identified risks.

As a developing school the key risk identified and focussed on have been;

- Delivering an outstanding education to our pupils as the school grows
- Recruiting outstanding teachers to support the growth of the school.
- Recruitment of pupils in line with financial plans

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the governors are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the academy trust's auditors are unaware, and each governor has taken all the steps that they ought to have taken as a governor in order to make them aware of any audit information and to establish that the academy trust's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of governors on 21st November 2016 and signed on its behalf by:



Mr J D Williets - Governor

ACTIVE EDUCATION ACADEMY TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2016

Scope of Responsibility

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

The board of the governors has delegated the day-to-day responsibility to the Principal Finance 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 Active Education Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Governors and in the Governors Responsibility Statement. The board of governors has formally met 7 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governor	Meetings attended	Out of a possible
Ms H G Barnett	7	7
Mrs F E Bloxham	4	7
Ms T E Chivers	7	7
Mr S D Kendall	5	7
Mrs J Law	4	7
Mrs R Mahmood	6	7
Mr K Miah	5	7
Mrs S Reay	7	7
Mr J D Williets	6	7

Sub-committees established for Curriculum and Standards, and Resources, Finance & Audit had attendance as follows:

Curriculum & Standards

Governors	Meetings attended	Out of a possible
Mrs F E Bloxham	1	5
Mrs T E Chivers	5	5
Mr S D Kendall	5	5
Mr K Miah	5	5
Mrs S Reay	5	5
Mr J D Williets	5	5

Resources, Finance & Audit

Governors	Meetings attended	Out of a possible
Ms H G Barnett	6	6
Ms T E Chivers	6	6
Mrs A Jenkinson (Principal Finance Officer – resigned 9th May 2016)	4	5
Ms S Jones (Principal Finance Officer appointed 9th May 2016)	3	3
Mrs J Law	6	6
Mrs R Mahmood	4	6
Mrs S Reay	6	6
Mr J D Williets	4	6

ACTIVE EDUCATION ACADEMY TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2016

Review of Value for Money

As Accounting Officer the Head Teacher, Finance & Audit subcommittee has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting officer has considered how the academy trust's use of its resources has provided good value for money during the academic year.

Active Education Academy Trust operates River Bank Primary School. The school opened in September 2013 and the school was established to meet a need for school places in Luton. It operates as a free school in the Biscot Ward area which is in the centre of Luton. In its first year of operation, the school admitted pupils into Reception with two classes of up to 60 pupils on roll. In September 2014, the school building was completed and therefore more places were available in Reception. It meant that an intake of up to 90 pupils was possible. Initially the school experienced a high level of mobility and throughout the year it became more settled. This year, numbers on roll became more settled and in September 2015 we had 270 pupils on roll. The school will continue to admit children into Reception until the school reaches capacity in 2019.

Deployment of Staff

All staff employed at River Bank School (both teaching and support) are fully qualified. All classes are led by a qualified teacher and supported by an experienced teaching assistant (TA). Many of our TAs are also cover supervisors and in addition we have an Early Years Lead TA and Higher Level TA. The school also employs specialist teachers for music and PE. The quality of the staff recruited is viewed as a key factor in the success of the school. The staffing structure is reviewed twice a year and recruitment is planned well in advance of need to ensure every opportunity of attracting the highest calibre of staff.

Individual Pupils

Staffing ratios allow for support and intervention to be provided for children who are identified as having additional needs. The family worker ensures that links between home and school are maintained for all children and particularly the most vulnerable. Where the need has arisen the school has employed additional staff to support identified groups such as newly arrived Polish pupils. The school is developing positive relationships with external agencies that provide expert advice that does not exist within the school staff team. This is strengthened further through the support provided by the Local Authority SEND Team, Educational Psychologist Team and Educational Welfare Team as part of service level agreement provision.

Collaboration with Educational Providers

We have a strong working relationship with Active Luton who provides a range of support from teaching and learning, financial and premises services. The school has developed partnerships with other local schools through the Central Area Neighbourhood Improvement Partnership. Through this partnership the school has been able to engage in training events and share practice. In addition, we have developed a strong, robust relationship with Chiltern Learning Alliance in terms of providing support for our NQTs and improving the chances of recruiting quality teachers. The school has a positive relationship with the Local Authority and accesses a range of professional support and training where relevant. The University of Bedfordshire is represented on the governing body. Through our transition arrangements we are developing relationships with local pre-school providers and children centres. Adult education services and Active Luton facilitate the delivery of learning and development and health programmes on site.

New Initiatives

Comprehensive budgets have been developed and refined since the school opened and the results have shown that the school uses its resources efficiently.

The community use of the school's facilities is well advanced. This includes a Scout group, all women exercise classes four times per week, a disability sports group and Saturday morning activities which involve all the family in a range of sports activities and clubs.

Quantifying Improvements

Recent improvements in pupil progress, a low rate of behaviour incidents and attendance demonstrate the strength in the school and Financial Performance within Budget shows that the school is operating as good value for money.

ACTIVE EDUCATION ACADEMY TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2016

Review of Value for Money

Financial Governance & Oversight

The Governing Body has met regularly through the year as part of a full GB and as separate sub-committees for Curriculum & Standards and also Resources & Finance. All meetings have been minuted. The Resources sub-committee has reviewed the management accounts regularly and approved the budget for the next Academic year. The Governing Body has approved the Finance Manual and contracts and services have been agreed within the guidelines.

An independent internal auditor conducted two reviews of the internal control framework during the year and both provided an 'Adequate Assurance'.

Better Purchasing

The School Finance Manual has clear procedures for procuring goods and services. Where possible the school has used the purchasing power of its sponsor Active Luton in order to obtain the best value for money. All the tendering for the building project was carried out with the EFA to ensure the best value for money was obtained. The awarding of the catering contract followed the correct tendering process. All purchases/services are scrutinised by the Head Teacher to ensure purchases are necessary and are of good value.

Reviewing Controls and Managing Risks

A risk register has been created which assess the risks facing the School and cover a wide range of areas including finance, people, strategy, management, technology, health & safety and governance. This register is reviewed by the Governing Body. The Head Teacher and Chief Finance Officer have regular meetings to discuss the monthly management accounts and any EFA reporting requirements. Cash Flow is tracked monthly.

Lessons Learned

- Evaluating the impact of the SLAs with the LA to ensure that it is tightly targeting the needs of the school by impacting on progress and outcomes for pupils
- Independent external clerk ensures governance is strictly adhered to
- Independent internal audit review confirms resilience of internal control infrastructure
- Access to EFA and NASBM bulletins ensures knowledge is up to date and sources of information to support the School are available.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Active Education Academy Trust for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls they have been implemented to mitigate those risks. The board of governors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

ACTIVE EDUCATION ACADEMY TRUST

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of governors;
- Regular reviews by the Resources, Finance & Audit committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The board of governors appointed an independent external person as internal auditor with effect from July 2014.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The internal auditor reports to the board of governors, through the Resources, Finance and Audit committee on the operation of the system of control and on the discharge of the board of governors' financial responsibilities. There were 2 audits during the year both of which gave 'Adequate Assurance'.

Review of Effectiveness

During the previous year the Head Teacher resigned and a new Head Teacher was appointed. To ensure continuous oversight the Chair of the Resources Finance & Audit subcommittee was appointed as Interim Accounting officer to work with the new Head Teacher and Chief Finance Officer. The new Head Teacher was appointed as Accounting Officer effective 1st September 2015.

Approved by order of the members of the board of governors on 24th November and signed on its behalf
by: 2016,



Mr J D Williets - Governor



Ms S Reay - Head Teacher

ACTIVE EDUCATION ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
for the Year Ended 31 AUGUST 2016

As accounting officer of Active Education Academy Trust I have considered my responsibility to notify the academy trust board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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

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


.....
Ms S Reay - Accounting Officer

Date: 24th November 2016

ACTIVE EDUCATION ACADEMY TRUST

GOVERNORS RESPONSIBILITY STATEMENT
for the Year Ended 31 AUGUST 2016

The governors (who act as trustees of Active Education Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy trust will continue in business.

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

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

Approved by order of the board of governors on 24th November and signed on it's behalf by:
2016



.....
Mr J D Williets - Governor

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ACTIVE EDUCATION ACADEMY TRUST

We have audited the financial statements of Active Education Academy Trust for the year ended 31 August 2016 on pages sixteen to twenty nine. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2015 to 2016 issued by the Education Funding Agency (EFA).

This report is made solely to the academy 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 academy 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 academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Governors Responsibility Statement set out on page twelve, the governors (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.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ACTIVE EDUCATION ACADEMY TRUST**

Matters on which we are required to report by exception

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

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



Stephen Mason BSc ACA (Senior Statutory Auditor)
for and on behalf of FKCA Limited
Statutory Auditor
Prospero House
46-48 Rothesay Road
Luton
Bedfordshire
LU1 1QZ

Date: 14.12.2016

**INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO
ACTIVE EDUCATION ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Active Education Academy Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Active Education Academy Trust's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of Active Education Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

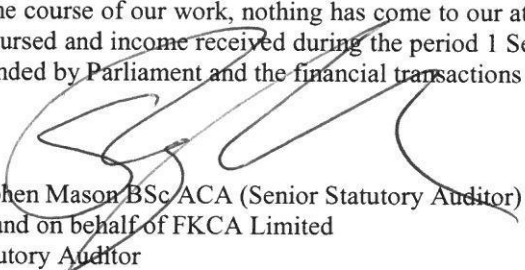
The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


Stephen Mason BSc ACA (Senior Statutory Auditor)
for and on behalf of FKCA Limited
Statutory Auditor
Prospero House
46-48 Rothesay Road
Luton
Bedfordshire
LU1 1QZ

Date: 14.11.2016

ACTIVE EDUCATION ACADEMY TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the Year Ended 31 AUGUST 2016**

	Notes	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Funds £	2016 Total funds £	2015 Total funds £
INCOME AND ENDOWMENTS FROM Charitable activities						
Funding for the academy's educational operations	2	-	1,512,918	217,810	1,730,728	877,611
Other trading activities	3	19,183	-	-	19,183	10,726
Investment income	4	690	-	-	690	632
Other income		<u>7,153</u>	<u>44,098</u>	<u>-</u>	<u>51,251</u>	<u>16,639</u>
Total		27,026	1,557,016	217,810	1,801,852	905,608
EXPENDITURE ON Charitable activities						
Raising funds	6	15,940	-	-	15,940	6,101
Academy's educational operations	7	<u>(844)</u>	<u>1,440,704</u>	<u>233,687</u>	<u>1,673,546</u>	<u>966,853</u>
Total	5	15,096	1,440,704	233,687	1,689,488	972,954
Net gains/(losses) on investments		<u>-</u>	<u>(101,000)</u>	<u>-</u>	<u>(101,000)</u>	<u>(10,000)</u>
NET INCOME/(EXPENDITURE)		11,930	15,312	(15,877)	11,365	(77,346)
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>25,990</u>	<u>91,140</u>	<u>7,623,700</u>	<u>7,740,830</u>	<u>7,818,176</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>37,920</u></u>	<u><u>106,452</u></u>	<u><u>7,607,823</u></u>	<u><u>7,752,195</u></u>	<u><u>7,740,830</u></u>

The notes form part of these financial statements

ACTIVE EDUCATION ACADEMY TRUST

BALANCE SHEET
AT 31 AUGUST 2016

				2016	2015	
	Notes	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Funds £	Total funds £	Total funds £
FIXED ASSETS						
Tangible assets	11	-	-	7,586,309	7,586,309	7,639,225
CURRENT ASSETS						
Debtors	12	-	37,387	66,756	104,143	34,044
Cash at bank and in hand		<u>37,940</u>	<u>458,973</u>	<u>2,745</u>	<u>499,658</u>	<u>437,199</u>
		37,940	496,360	69,501	603,801	471,243
CREDITORS						
Amounts falling due within one year	13	(20)	(272,908)	(47,987)	(320,915)	(353,638)
NET CURRENT ASSETS		<u>37,920</u>	<u>223,452</u>	<u>21,514</u>	<u>282,886</u>	<u>117,605</u>
TOTAL ASSETS LESS CURRENT LIABILITIES (excluding pension liability)		<u>37,920</u>	<u>223,452</u>	<u>7,607,823</u>	<u>7,869,195</u>	<u>7,756,830</u>
Defined benefit pension benefit scheme liability		-	(117,000)	-	(117,000)	(16,000)
NET ASSETS		<u><u>37,920</u></u>	<u><u>106,452</u></u>	<u><u>7,607,823</u></u>	<u><u>7,752,195</u></u>	<u><u>7,740,830</u></u>
FUNDS						
Unrestricted funds:	14					
General fund					37,920	25,990
Restricted funds:						
Restricted general fund					223,452	107,140
Restricted fixed asset fund					7,607,823	7,623,700
Pension reserve					<u>(117,000)</u>	<u>(16,000)</u>
					<u>7,714,275</u>	<u>7,714,840</u>
TOTAL FUNDS					<u><u>7,752,195</u></u>	<u><u>7,740,830</u></u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Governors on 24th November 2016 and were signed on its behalf by:


.....
Mr J D Williets -Governor

The notes form part of these financial statements

ACTIVE EDUCATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 AUGUST 2016

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Active Education Academy Trust meets the definition of a public benefit entity under FRS 102.

First time adoption of FRS 102

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

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005') and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently are set out below.

Financial reporting standard 102 - reduced disclosure exemptions

The academy trust has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Going concern

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Income

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received 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 period is deducted from income and recognised as a liability.

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

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

ACTIVE EDUCATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 AUGUST 2016

1. ACCOUNTING POLICIES - continued

Other income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the academy trust to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Raising funds

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

Charitable activities

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

Tangible fixed assets

Portable assets which have a cost equal to or greater than £500 and other assets which have a cost equal to or greater than £1,000 are capitalised. Assets which are considered to be high risk in respect of their security are capitalised, irrespective of cost.

Where tangible fixed assets have been acquired with the aid of specific grants they are included in the Balance Sheet at cost and depreciated over their expected economic life. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life on a straight line basis.

Freehold property	- 2% on cost
Plant and machinery	- 33% on cost
Fixtures and fittings	- 20% on cost

Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

ACTIVE EDUCATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 AUGUST 2016

1. ACCOUNTING POLICIES - continued

Fund accounting

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

Restricted project development funds are resources which are to be applied for specific start up costs imposed by the Department for Education.

Restricted capital ICT fund are resources which are to be applied for specific capital ICT purposes imposed by the Department for Education.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

Pension costs and other post-retirement benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 16, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Provisions

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

ACTIVE EDUCATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 AUGUST 2016

2. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
DfE/EFA revenue grant				
General Annual Grant(GAG)	-	1,447,900	1,447,900	719,488
EFA other (non-GAG)	-	65,018	65,018	93,538
	-	1,512,918	1,512,918	813,026
DfE/EFA capital grant				
Capital Grants	-	217,810	217,810	64,585
	-	1,730,728	1,730,728	877,611

3. OTHER TRADING ACTIVITIES

	2016 £	2015 £
Trips & events	11,709	6,111
Hire of facilities	3,828	2,692
Catering income	3,646	1,923
	19,183	10,726

4. INVESTMENT INCOME

	2016 £	2015 £
Deposit account interest	690	632

5. EXPENDITURE

	Staff costs £	Non-pay expenditure		2016 Total £	2015 Total £
		Premises £	Other costs £		
Raising funds					
Costs incurred by trading for a fundraising purpose	-	-	15,940	15,940	6,101
Charitable activities					
Academies educational operations					
Direct costs	833,373	683	422,624	1,256,680	648,716
Allocated support costs	34,632	126,221	256,013	416,866	318,137
	868,005	126,904	678,637	1,673,546	966,853

Net income/(expenditure) is stated after charging/(crediting):

	2016 £	2015 £
Auditors' remuneration	5,100	5,000
Auditors' remuneration for non audit work	1,295	3,000
Depreciation - owned assets	233,687	187,700

ACTIVE EDUCATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 AUGUST 2016

6. RAISING FUNDS

Costs incurred by trading for a fundraising purpose

	2016 £	2015 £
Purchases	14,140	6,101
Bad debts	<u>1,800</u>	<u>-</u>
	<u>15,940</u>	<u>6,101</u>

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Direct costs	(844)	1,257,524	1,256,680	654,545
Support costs	<u>-</u>	<u>416,866</u>	<u>416,866</u>	<u>312,308</u>
	<u>(844)</u>	<u>1,674,390</u>	<u>1,673,546</u>	<u>966,853</u>

	2016 Total £	2015 Total £
Analysis of support costs		
Support staff costs	34,632	104,730
Technology costs	17,028	13,146
Premises costs	126,221	68,807
Other support costs	176,478	91,066
Governance costs	<u>62,507</u>	<u>40,388</u>
Total support costs	<u>416,866</u>	<u>318,137</u>

8. GOVERNORS' REMUNERATION AND BENEFITS

Staff governors only receive remuneration in respect of services they provide undertaking the role of staff and not in respect of services as governors. Other governors did not receive any payments from the academy in respect of their role as governors. The value of governors' remuneration was as follows;

F Bloxham - Staff Governor	£25,000 - £30,000
S Reay - Head Teacher / Staff Governor	£60,000 - £65,000

Governors' expenses

There were no governors' expenses paid for the year ended 31 August 2016 nor for the year ended 31 August 2015.

ACTIVE EDUCATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 AUGUST 2016

9. STAFF COSTS

	2016	2015
	£	£
Wages and salaries	716,951	420,813
Social security costs	45,770	20,917
Other pension costs	<u>105,284</u>	<u>46,107</u>
	<u>868,005</u>	<u>487,837</u>

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	2016	2015
Teachers	11	5
Administration & support	14	9
Management	<u>2</u>	<u>2</u>
	<u>27</u>	<u>16</u>

Officers Insurance

In accordance with normal commercial practice the academy has taken advantage of the Risk Protection Arrangement offered by the Department for Education for claims arising from negligent acts, errors or omission occurring whilst on academy business. The insurance cost for the year ended 31 August 2016 was £5,125 (2015: £3,750). The cost is included within the total insurance cost.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Charitable activities				
Funding for the academy's educational operations	-	813,026	64,585	877,611
Other trading activities	10,724	-	-	10,726
Investment income	632	-	-	632
Other income	<u>8,688</u>	<u>7,951</u>	-	<u>16,639</u>
Total	20,046	820,977	64,585	905,608
EXPENDITURE ON				
Charitable activities				
Raising funds	6,101	-	-	6,101
Academy's educational operations	-	<u>779,153</u>	<u>187,700</u>	<u>966,853</u>
Total	6,101	779,153	187,700	972,954
Net gains/(losses) on investments	-	<u>(10,000)</u>	-	<u>(10,000)</u>
NET INCOME/(EXPENDITURE)	13,945	31,824	(123,115)	(77,346)

ACTIVE EDUCATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 AUGUST 2016

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Funds £	Total funds £
RECONCILIATION OF FUNDS				
Total funds brought forward	12,045	59,316	7,746,815	7,818,176
TOTAL FUNDS CARRIED FORWARD	<u>25,990</u>	<u>91,140</u>	<u>7,623,700</u>	<u>7,740,830</u>

11. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 September 2015	7,602,509	152,270	72,146	7,826,925
Additions	-	87,231	93,540	180,771
At 31 August 2016	<u>7,602,509</u>	<u>239,501</u>	<u>165,686</u>	<u>8,007,696</u>
DEPRECIATION				
At 1 September 2015	151,124	29,590	6,986	187,700
Charge for year	<u>152,050</u>	<u>61,090</u>	<u>20,547</u>	<u>233,687</u>
At 31 August 2016	<u>303,174</u>	<u>90,680</u>	<u>27,533</u>	<u>421,387</u>
NET BOOK VALUE				
At 31 August 2016	<u>7,299,335</u>	<u>148,821</u>	<u>138,153</u>	<u>7,586,309</u>
At 31 August 2015	<u>7,451,385</u>	<u>122,680</u>	<u>65,160</u>	<u>7,639,225</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	350	5,649
Other debtors	67,730	-
Other Taxes	28,697	28,395
Prepayments and accrued income	<u>7,366</u>	<u>-</u>
	<u>104,143</u>	<u>34,044</u>

ACTIVE EDUCATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 AUGUST 2016

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	86,582	92,901
Social security and other taxes	32,740	22,699
Accrued expenses	145,576	194,318
Deferred government grants	<u>56,017</u>	<u>43,720</u>
	<u><u>320,915</u></u>	<u><u>353,638</u></u>

DEFERRED INCOME

	Grant Income £
Deferred Income brought forward at 1 September 2015	43,720
Incoming resources deferred in the current year	56,017
Amounts released from previous years	<u>(43,720)</u>
Deferred Income carried forward at 31 August 2016	<u><u>56,017</u></u>

Grant income is deferred as the charity is not entitled to the income until certain conditions are met.

14. MOVEMENT IN FUNDS

	At 1.9.15 £	Net movement in funds £	At 31.8.16 £
Unrestricted funds			
General fund	25,990	11,930	37,920
Restricted funds			
Restricted general fund	107,140	116,312	223,452
Restricted fixed asset fund	7,623,700	(15,877)	7,607,823
Pension reserve	<u>(16,000)</u>	<u>(101,000)</u>	<u>(117,000)</u>
	7,714,840	(565)	7,714,275
	<u>7,740,830</u>	<u>11,365</u>	<u>7,752,195</u>
TOTAL FUNDS	<u><u>7,740,830</u></u>	<u><u>11,365</u></u>	<u><u>7,752,195</u></u>

ACTIVE EDUCATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 AUGUST 2016

14. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	27,026	(15,096)	-	11,930
Restricted funds				
Restricted general fund	1,557,016	(1,440,704)	-	116,312
Restricted fixed asset fund	217,810	(233,687)	-	(15,877)
Pension reserve	<u>-</u>	<u>-</u>	<u>(101,000)</u>	<u>(101,000)</u>
	1,774,826	(1,674,391)	(101,000)	(565)
	<u>1,801,852</u>	<u>(1,689,488)</u>	<u>(101,000)</u>	<u>11,365</u>
TOTAL FUNDS				

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry for forward at 31 August 2016.

15. RELATED PARTY DISCLOSURES

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust 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.

The following related party transactions took place in the period of account.

Active Luton Limited, a charitable company, with shared directors, provided services during the year relating to project & facilities management, financial, professional and administration services for the Academy and River Bank Primary School of £100,956 (2015: £84,735). This increase is due to the school growth. In addition, further support continues after the changes at Head Teacher level. At the year end the balance outstanding with Active Luton Limited is £16,638 (2015: £16,954). This is included within trade creditors.

ACTIVE EDUCATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 AUGUST 2016

16. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2015.

Outstanding contributions amounting to £13,220 (2015: £9,804) were payable to the schemes at 31 August 2016 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year ended 31 August 2016 amounted to £57,284 (2015: £20,107).

ACTIVE EDUCATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 AUGUST 2016

16. PENSION COMMITMENTS

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £62,000, of which employer's contributions totalled £48,000 and employees' contributions totalled £14,000. The agreed contribution rates for future years are 20.1% for employers and 5.9% 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.

Principle Actuarial Assumptions

	2016	2015
Rate of increases in salaries	3.1%	3.6%
Rate of increases in pension payments	2.1%	2.7%
Discount rate for scheme liabilities	2.1%	3.8%
Inflation assumption	3.1%	3.8%
Commutation of pensions to lump sum	50%	50%

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

	2016	2015
Retiring today		
Males	22.4	22.4
Females	24.3	24.3
Retiring in 20 years		
Males	24.4	24.4
Females	26.8	26.8

The assets of the scheme and expected rate of return

	Expected return 2016	Fair value 2016 £'000	Expected return 2015	Fair value 2015 £'000
Equities	2.1%	99	3.8%	35
Bonds	2.1%	13	3.8%	10
Property	2.1%	13	3.8%	6
Cash	2.1%	4	3.8%	2
Total market value of assets		129		53
Present value of scheme liabilities		(246)		(69)
Surplus/(deficit) in the scheme		(117)		(16)

Amounts recognised in the statement of financial activities

	2016 £'000	2015 £'000
Current service cost	67	38
	<u>67</u>	<u>38</u>

ACTIVE EDUCATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 AUGUST 2016

16. PENSION COMMITMENTS

Analysis of pension finance income/(costs):

	2016 £'000	2015 £'000
Expected return on pension scheme assets	3	2
Interest on pension scheme liabilities	(4)	(2)
Net (cost)/return	(1)	-

The most recent actuarial valuation was calculated on 31 August 2016. The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS102 is a £117,000 loss (2015: £16,000 loss).

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

	2016 £'000	2015 £'000
Opening defined benefit obligations	69	24
Current service cost	67	38
Interest cost	4	2
Contributions by members	14	8
Actuarial Losses / (Gains)	92	(3)
At 31 August 2016	246	69

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

	2016 £'000	2015 £'000
Opening fair value of employer assets	53	18
Expected return on assets	3	2
Contributions by members	14	8
Contributions by the employer	48	26
Actuarial Gains / (Losses)	11	(1)
At 31 August 2016	129	53

The estimated value of employer contributions for the year ended 31 August 2017 is £48,000.

17. FIRST YEAR ADOPTION

As stated in note 1, these are the Academy's first financial statements prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities SORP 2015. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 August 2016 and the comparative information presented in these financial statements for the year ended 31 August 2015.

The policies applied under the Academy's previous accounting framework are not materially different to FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and therefore have not impacted on funds or financial activities.

ACTIVE EDUCATION ACADEMY TRUST

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 AUGUST 2016**

	2016 £	2015 £
INCOME AND ENDOWMENTS		
Other trading activities		
Trips & events	11,709	6,111
Hire of facilities	3,828	2,692
Catering income	<u>3,646</u>	<u>1,923</u>
	19,183	10,726
Investment income		
Deposit account interest	690	632
Charitable activities		
Grants	1,730,728	877,611
Other income		
Miscellaneous income	9,753	8,688
Other EFA	<u>41,498</u>	<u>7,951</u>
	<u>51,251</u>	<u>16,639</u>
Total incoming resources	1,801,852	905,608
EXPENDITURE		
Costs incurred by trading for a fundraising purpose		
Purchases	14,140	6,101
Bad debts	<u>1,800</u>	<u>-</u>
	15,940	6,101
Charitable activities		
Wages	682,319	317,813
Social security	45,770	19,187
Pensions	105,284	46,107
Educational supplies	90,433	51,253
Staff development	43,159	3,140
Educational consultancy	18,051	7,029
Admissions & appeals	683	1,132
Improvements to property	152,050	151,124
Fixtures and fittings	20,547	6,986
Computer equipment	61,090	29,590
Curriculum support	24,701	12,616
Educational trips	<u>12,593</u>	<u>2,739</u>
	1,256,680	648,716

This page does not form part of the statutory financial statements

ACTIVE EDUCATION ACADEMY TRUST

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 AUGUST 2016**

	2016	2015
	£	£
Management		
Other staff costs	34,632	103,000
Social security	-	1,730
Recruitment and support	17,829	4,319
Maintenance of premises and equipment	60,587	18,467
Cleaning	5,046	8,186
Rent, rates and utilities	55,463	38,404
Insurance	5,125	3,750
Catering	86,528	40,146
Other costs	<u>71,375</u>	<u>46,444</u>
	336,585	264,446
Finance		
Bank interest	746	157
Information technology		
Technology costs	17,028	13,146
Governance costs		
Other costs	56,112	32,388
Auditors' remuneration	5,100	5,000
Auditors' remuneration for non audit work	<u>1,295</u>	<u>3,000</u>
	<u>62,507</u>	<u>40,388</u>
Total resources expended	<u>1,689,486</u>	<u>972,954</u>
Net income/(expenditure) before gains and losses	112,368	(67,346)
Realised recognised gains and losses		
Actuarial gain / (loss) on defined benefit scheme	(101,000)	(10,000)
Net income/(expenditure)	<u><u>11,366</u></u>	<u><u>(77,346)</u></u>