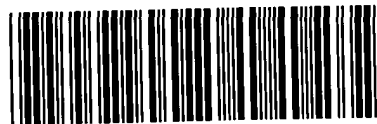


Company Registration Number: 07650619 (England and Wales)

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

WEDNESDAY



A7L436JT

A36

19/12/2018

#118

COMPANIES HOUSE

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Governors' Report	3 - 10
Governance Statement	11 - 13
Statement on Regularity, Propriety and Compliance	14
Statement of Governors' Responsibilities	15
Independent Auditor's Report on the Financial Statements	16 - 18
Independent Reporting Accountant's Assurance Report on Regularity	19 - 20
Statement of Financial Activities Incorporating Income and Expenditure Account	21
Balance Sheet	22
Statement of Cash Flows	23
Notes to the Financial Statements	24 - 46

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

Mrs J Law
Mr J D Williets
Ms H G Barnett

Governors

Mrs J Law (resigned 8 February 2018)
Mr J D Williets
Ms H G Barnett
Ms T E Chivers
Mr S D Kendall (resigned 8 February 2018)
Mrs R Mahmood
Mrs L McMulkin
Dr M Y Rehman
Mrs S A Smart
Mrs S P Soora
Mr D M Sansom (appointed 1 September 2017)

Company registered number

07650619

Company name

Active Education Academy Trust

Principal and registered office

Wigmore Hall, Wigmore Valley Park, Easton Green Road, Luton, Bedfordshire, LU3 1ES

Company secretary

Mrs K C Paxton-Doggett

Senior management team

David Sansom, Headteacher
Judith Trainor, Deputy Headteacher
David Seeley, Assistant Headteacher
Jane Vale, Assistant Headteacher
Louise Marsden, Business & Operations Manager

Independent auditor

Moore Stephens LLP, 150 Aldersgate Street, London, EC1A 4AB

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Bankers

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

Lloyds Bank, 60 George Street, Luton, LU1 2BB

Solicitors

Pictons Solicitors LLP, 28 Dunstable Road, Luton, LU1 1DY

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

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 2018. 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 and Skills Funding Agency.

The governors present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2017 to 31 August 2018. The Annual Report serves the purposes of both a trustee's 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 2017/2018 the school admitted pupils into Reception, Year 1, Year 2, Year 3 and Year 4.

STRUCTURE, GOVERNANCE, AND MANAGEMENT

Constitution

The academy trust is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum of Association is the primary governing document of the academy trust. The governors of Active Education Academy Trust are also the directors of the charitable company for the purpose 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 are included in the Reference and administrative details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1 , for the debts and liabilities contracted before they ceased to be a member.

Governors' indemnities

The Academy Trust's insurers indemnify against any claims in respect of any civil liability and which arises out of the conduct of the insured in their personal capacity as a director, Governor, or officer of the Academy Trust.

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
(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Policies and procedures adopted for the induction and training of 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.

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. 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 governors have further agreed that they may, from time to time, establish working groups to perform specific tasks over a set time scale.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel within the organisation are the Governors who do not receive a salary with the exception of staff Governors. Senior Management of the Trust salaries are determined in line with the Trust's Pay Policy.

Trade union facility time

The Academy had no relevant union officials during the reporting period, and accordingly the disclosure required under the Trade Union (Facility Time Publication Requirements) Regulations 2017 is nil.

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 administration, facilities management, and educational services to support the 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

OBJECTIVES AND ACTIVITIES

Objects and aims

Objects, 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, Year 2, Year 3 and Year 4 age.

In accordance with the articles of association the Academy has adopted a funding agreement approved by the Secretary of State for Education. The funding agreement specifies amongst other things, the basis for admitting pupils to the Academy and that the Academy provides a broad and balanced curriculum.

The aims of the Active Education Academy Trust are as follows:

- A school where Physical Education and School Sport are at the heart and used as a key tool to raise standards and drive forward the whole school agenda, addressing the wider issues such as health and well-being, behaviour, confidence and self-esteem, providing a model of excellence and an enrichment of the curriculum.
- A school where the specialism is embedded within the ethos and integrated into every aspect of it through the associated sporting values, aptitudes and skills that impact on learning.
- An outstanding, values based, school that provides the pupils and wider community with the best possible opportunities to develop their knowledge, skills and attributes, to secure both educational and personal achievement and success and to transform their lives.
- An inspirational school where everyone wants and strives to achieve their personal best, where everyone is accountable and where everyone has a responsibility for learning.
- A school that offers value for money, without compromising high quality teaching and learning.
- A school where all children are taught the values of belonging, the importance of team work, collaboration, respect, motivation and determination, so that they strive to improve, have pride and achieve high academic standards.
- A school where all children are given the opportunity to work collectively and support one another, taking pride in being part of a team with a clear identity within the school.
- A school where the curriculum is motivational, inspirational and enjoyable, relating to the needs and interests of the children, giving pupils the knowledge, skills and understanding they require to succeed in life and develop into successful local and global citizens.
- A school that is responsive to an ever-changing technological society, being sufficiently adaptable and flexible to be able to reflect changes in understanding concerning how children learn, so ensuring it is

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

- always 'fit for purpose' and meets the needs of all the pupils.
- A school where there is a balance between structure and flexibility with the curriculum itself being designed to communicate to people from all backgrounds and experiences, preparing pupils for life in the 21st Century.
 - A school where the ethos is underpinned by a sense of community where pupils learn to respect and celebrate one another's differences.
 - A school where there is the provision of a rich and varied menu of sporting and cultural opportunities to pupils both before and after school, during lunchtimes and on Saturday mornings.

Objectives, strategies and activities

The Academy's main strategy is encompassed in its vision statements which is 'Inspire, Empower, Achieve'. The school's objective is outlined by its vision, to improve the life chances and raise the aspirations of our pupils through the high expectations we set, inspiring achievement and using innovative teaching pedagogy to ensure the diverse learning needs of all the pupils are met and that learning is put into a context that is meaningful and enjoyable.

Our values are based on those of the Olympic and Paralympic games:

- Friendship
- Respect
- Excellence
- Determination
- Inspiration
- Courage
- Equality

Public benefit

The Governors have referred to the guidance contained in the Charity Commission's published general and relevant sub sector guidance on public benefit. We have referred to this guidance when reviewing our aims, strategy and in planning future activities. All activities undertaken by School are for the public benefit.

The Academy provides a state primary education to boys and girls aged 3 to 11 living in the local area. This Academy is specifically restricted to advance, for public benefit, education in the United Kingdom.

STRATEGIC REPORT

Achievement and performance

Early Years Foundation Stage

The percentage of children achieving a good level of development was 74.6% compared to 73% in 2017. The national and local figures for 2018 are yet to be released. This indicates improvements in the outcomes for pupils in the early years setting – an increase of 23.6% of pupils achieving a good level of development in the last four years. The gap between boys and girls achieving GLD has reduced so the percentage difference is below the 2017 national gap. Disadvantaged children and SEN children did not perform as well as non-disadvantaged or 'other' pupils.

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Year One

74.3% of pupils in year one passed the phonics screening test. This is a 5.7% decrease on the 2017 figure. Our 2018 figure is likely to place us just below the national average.

%	At or above the expected level
Reading	78
Writing	75
Mathematics	74

Year Two

46.6% of pupils in year two who retook the phonic screening test passed – this is well below the national average.

KS1 Outcomes %	Expected + School 2017	Expected + National 2017	Expected + Local 2017	Expected + School 2018	Expected + National 2018	Expected + Local 2018
Reading	65	75	71	65	Not available	Not available
Writing	42	68	64	57	Not available	Not available
Mathematics	51	75	71	69	Not available	Not available

KS1 Outcomes %	Greater Depth School 2017	Greater Depth National 2017	Greater Depth Local 2017	Greater Depth School 2018	Greater Depth National 2018	Greater Depth Local 2018
Reading	34	25	22	21	Not available	Not available
Writing	10	16	14	17	Not available	Not available
Mathematics	0	26	19	20	Not available	Not available

Year Three

At the end of year three; pupils achieved the following results

%	At or above the expected level
Reading	59
Writing	41
Mathematics	50

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Year Four

At the end of year three; pupils achieved the following results

%	At or above the expected level
Reading	67
Writing	58
Mathematics	62

Key Performance Indicators

The key financial performance indicators are:

- The Academy will continue to operate with sufficient balances so as to maintain the infrastructure of the Academy and to ensure the continuity of the education of pupils.
- The Academy will keep within the agreed budget unless a variation is agreed by the Board of Governors.

Non-financial performance indicators are: pupil numbers and staff costs and maintaining facilities and education to a high standard.

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.

FINANCIAL REVIEW

The school's principal income is from the DFE in the form of recurrent, restricted grants. The grants received during the year ended 31 August 2018 and the associated expenditure are shown in the Statement of Financial activities.

During the year ended 31st August 2018 total operating expenditure excluding depreciation of £2,312,056 was fully covered by grant funding from the ESFA and other incoming resources.

The deficit in the Local Government Pension Scheme (LGPS) is recognised on the balance sheet in accordance with FRS 102. At 31 August 2018, the deficit stood at (£176,000). The existence of the pension scheme deficit does not mean an immediate liability crystallises and is addressed over a series of years through pension contributions recommended by the pension scheme actuaries.

At 31 August 2018 the net book value of fixed assets was £7,249,629 (2017: £7,403,419). Movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the School.

The capital grant from the ESFA 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 90 additional 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.

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

The Trust achieved a positive result in the year which was partly contributed to by letting out classroom space currently not used to Luton Adult Learning. The income was accounted for in Unrestricted funds and was reinvested in equipment and systems to support the school.

Due to this extra income a higher surplus was achieved on the funding than would have been expected which has allowed for a transfer between reserves of £97,490. This reserve has been taken out of a surplus of restricted funds for purposes of future capital expenditure that will be required.

Reserves policy

The Governing Body has developed and adopted a framework in line with the ESFA academies financial handbook. The principle source of funding for the year has been the grants received from the Education and Skills Funding Agency (ESFA) (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 completion of the fit out of the classrooms in IT and furniture.

The Governing Body review the reserve policy on an annual 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 Trustees have determined that a target of the value of reserves to hold should equate to two months expenditure, which is currently £442,000. This would include restricted and free reserves but exclude the fixed asset fund and the pension reserve. This needs to be reviewed annually as the school income and numbers continue to grow.

Total reserves amount to £7,539,877 (2017: £7,573,206), this represents £89,939 (2017: £52,500) unrestricted funds, £301,309 (2017: £288,290) restricted funds, £7,324,629 (2017: £7,403,418) restricted fixed assets funds and a Pension Reserve of (£176,000) (2017: (£171,000)).

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 future Fixed Assets investments.

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.

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

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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.

FUNDRAISING

The School does no direct fundraising.

PLANS FOR FUTURE PERIODS

The future plan for the academy trust is to continue to expand annually until the academy includes all years from Year R to Year six. During the Academic Year 2017-2018 the school had pupils in early years, year one, two, three and four.

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 six 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 continued this year and will continue to grow in future years.

Part of the building had been designated for use by Luton Adult Learning in 2017-2018 to support community learning. This was only for one year as year 5 will occupy the classrooms in the next academic year.

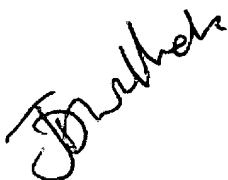
AUDITOR

The auditor, Moore Stephens LLP, has indicated its willingness to continue in office. The Designated Governors will propose a motion re-appointing the auditor at a meeting of the Governors.

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware;
- 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 Governors' Report, incorporating a strategic report, was approved by order of the board of Governors, as the company directors, on 6 December 2018 and signed on its behalf by:



Mr J D Williets
Chair of Trustees

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

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 or loss.

The board of Governors has delegated the day-to-day responsibility to the Head teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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 Governors' Report and in the Statement of Governors' Responsibilities. The board of Governors has formally met 6 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
Mrs J Law	2	3
Mr J D Williets	5	6
Ms H G Barnett	5	6
Ms T E Chivers	5	6
Mr S D Kendall	1	3
Mrs R Mahmood	6	6
Mrs L McMulkin	5	6
Dr M Y Rehman	4	6
Mrs S A Smart	6	6
Mrs S P Soora	6	6
Mr D M Sansom	6	6

Changes in the composition of the Board of Governors can be found in the administrative details section on page 1

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the board of Governors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by following the Academy Trust's tendering policy and procedures.

There has been an increase in community services through extended school services and lettings which serve the local community and improve partnerships.

The Academy also makes effective use of budgeting. A budget for the year ended 31 August 2018 was approved by the Governing Body. Expenditure has been controlled against this budget with any significant variances investigated and acted upon.

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

The Academy has maintained and developed as necessary procedures for assessing need, obtaining goods and services which provide the best value in terms of suitability, efficiency, time and cost. These procedures were satisfactorily adopted to obtain the best possible quotes for goods and services.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Active Education Academy Trust for the year 1 September 2017 to 31 August 2018 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 is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Governors.

THE RISK AND CONTROL FRAMEWORK

The Academy'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 Governing body of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of Governors has considered the need for a specific internal audit function and has decided to appoint Foxley Kingham Chartered Accountants who have performed an annual internal control review.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:
testing of payroll systems; testing of purchase systems and testing cash handling procedures

On an annual basis, the auditor reports to the board of Governors on the operation of the systems of control and on the discharge of the board of Governors' financial responsibilities. There were no significant weaknesses to report.

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

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

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

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

Approved by order of the members of the board of Governors on 6 December 2018 and signed on their behalf, by:



MR J D Williets
Chair of Trustees



MR D M Sansom
Accounting Officer

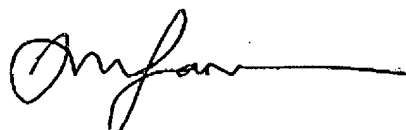
ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Active Education Academy Trust I have considered my responsibility to notify the academy trust 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 academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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



Mr D M Sansom
Accounting Officer

Date: 6 December 2018

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Governors on 6 December 2018 and signed on its behalf by:



Mr J D Williets
Chair of Trustees

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ACTIVE EDUCATION ACADEMY TRUST

OPINION

We have audited the financial statements of Active Education Academy Trust (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 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 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ACTIVE EDUCATION ACADEMY TRUST

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ACTIVE
EDUCATION ACADEMY TRUST**

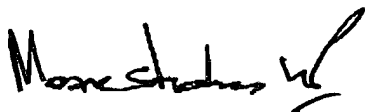
AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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



Nicholas Simkins (Senior Statutory Auditor)

for and on behalf of

Moore Stephens LLP

150 Aldersgate Street
London
EC1A 4AB

Date: 12 December 2018

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 20 February 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 year 1 September 2017 to 31 August 2018 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 ESFA 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 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 Active Education Academy Trust and the ESFA, 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 ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Active Education Academy Trust's funding agreement with the Secretary of State for Education dated 11 June 2013, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Reviewing minutes of meetings, management accounts and making enquiries of management;
- Performing sample testing of expenditure ensuring items are for the School's purposes and are appropriately authorised;
- Sample testing on credit card expenditure, reviewing for any indication of purchase for personal use

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

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

by staff, Head or Governors;

- Reviewing the procedures for identifying and declaring related parties and other business interests;
- Obtaining formal representation from the governing body and accounting officer acknowledging their responsibilities;
- Scrutinising journals, and other adjustments posted during the year for evidence of unusual entries and making further enquiries into any such items where relevant;
- Performing an evaluation of the general control environment of the School;
- Reviewing nominal ledger accounts for any large or unusual entries and obtaining supporting documentation.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Moore Stephens LLP

150 Aldersgate Street
London
EC1A 4AB

Date: 12 December 2018

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	-	-	82,257	82,257	90,013
Charitable activities:						
Funding for the academy trust's educational operations	3	26,829	2,236,344	-	2,263,173	1,964,671
Other trading activities	4	86,833	-	-	86,833	24,538
Investments	5	-	-	-	-	453
TOTAL INCOME		113,662	2,236,344	82,257	2,432,263	2,079,675
EXPENDITURE ON:						
Raising funds		61,955	-	-	61,955	1,149
Charitable activities:						
Academy trust educational operations		14,268	2,235,833	258,536	2,508,637	2,310,516
TOTAL EXPENDITURE	6	76,223	2,235,833	258,536	2,570,592	2,311,665
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	16	37,439	511	(176,279)	(138,329)	(231,990)
		-	(97,490)	97,490	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		37,439	(96,979)	(78,789)	(138,329)	(231,990)
Actuarial gains on defined benefit pension schemes	21	-	105,000	-	105,000	53,000
NET MOVEMENT IN FUNDS		37,439	8,021	(78,789)	(33,329)	(178,990)
RECONCILIATION OF FUNDS:						
Total funds brought forward		52,500	117,288	7,403,418	7,573,206	7,752,196
TOTAL FUNDS CARRIED FORWARD		89,939	125,309	7,324,629	7,539,877	7,573,206

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07650619

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		7,249,629		7,403,419
CURRENT ASSETS					
Stocks		-		6,108	
Debtors	14	178,883		130,235	
Cash at bank and in hand		771,227		616,142	
		<u>950,110</u>		<u>752,485</u>	
CREDITORS: amounts falling due within one year	15	<u>(483,862)</u>		<u>(411,698)</u>	
NET CURRENT ASSETS			<u>466,248</u>		<u>340,787</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	21		<u>(176,000)</u>		<u>(171,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>7,539,877</u></u>		<u><u>7,573,206</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	16	301,309		288,288	
Restricted fixed asset funds	16	7,324,629		7,403,418	
Restricted income funds excluding pension liability		<u>7,625,938</u>		<u>7,691,706</u>	
Pension reserve		<u>(176,000)</u>		<u>(171,000)</u>	
Total restricted income funds			<u>7,449,938</u>		<u>7,520,706</u>
Unrestricted income funds	16		<u>89,939</u>		<u>52,500</u>
TOTAL FUNDS			<u><u>7,539,877</u></u>		<u><u>7,573,206</u></u>

The financial statements on pages 21 to 46 were approved by the Governors, and authorised for issue, on 6 December 2018 and are signed on their behalf, by:



MR J D Williets
Chair of Trustees

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	18	<u>177,571</u>	<u>116,032</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		-	453
Purchase of tangible fixed assets		(104,746)	(90,013)
Capital grants from DfE Group		82,260	90,013
Net cash (used in)/provided by investing activities		<u>(22,486)</u>	<u>453</u>
Change in cash and cash equivalents in the year		155,085	116,485
Cash and cash equivalents brought forward		<u>616,142</u>	<u>499,657</u>
Cash and cash equivalents carried forward	19	<u><u>771,227</u></u>	<u><u>616,142</u></u>

The notes on pages 24 to 46 form part of these financial statements.

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Active Education Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

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

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

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

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

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

1.4 Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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 these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2%
Furniture and fixtures	-	20%
Plant and equipment	-	33%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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 incorporating Income and Expenditure Account.

1.6 Operating leases

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

1.7 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.

1.8 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.

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.9 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.

1.10 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Taxation

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

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, 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.

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

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

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

1.13 Fund accounting

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

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

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 2018. 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.

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Capital Grants	-	-	82,257	82,257	90,013
Total 2017	-	-	90,013	90,013	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General annual grant	-	1,864,003	1,864,003	1,639,791
Other Dfe/ESFA grants	-	249,491	249,491	290,965
Start up grants	-	57,000	57,000	-
	-	2,170,494	2,170,494	1,930,756
Other government grants				
Local Authority grants	-	38,088	38,088	-
	-	38,088	38,088	-
Other income from the academy trust's educational operations:				
Catering	-	27,762	27,762	18,617
Trips & activities	26,829	-	26,829	15,298
	26,829	27,762	54,591	33,915
	26,829	2,236,344	2,263,173	1,964,671
Total 2017	15,298	1,949,373	1,964,671	

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of Facilities	75,773	-	75,773	12,720
Uniforms	8,935	-	8,935	8,042
other income	2,125	-	2,125	3,776
	<u>86,833</u>	<u>-</u>	<u>86,833</u>	<u>24,538</u>
<i>Total 2017</i>	<u>24,538</u>	<u>-</u>	<u>24,538</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	-	-	-	453
	<u>-</u>	<u>-</u>	<u>-</u>	<u>453</u>
<i>Total 2017</i>	<u>453</u>	<u>-</u>	<u>453</u>	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising trading					
Direct costs	-	-	61,955	61,955	1,149
Support costs	-	-	-	-	-
Educational operations:					
Direct costs	1,359,716	258,535	297,769	1,916,020	1,768,775
Support costs	276,864	-	315,753	592,617	541,740
	<u>1,636,580</u>	<u>258,535</u>	<u>675,477</u>	<u>2,570,592</u>	<u>2,311,664</u>
<i>Total 2017</i>	<u>1,400,956</u>	<u>272,904</u>	<u>637,804</u>	<u>2,311,664</u>	

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Uniform	597	-	597	1,149
Lettings	61,358	-	61,358	-
Other support costs	-	-	-	-
Total	<u>61,955</u>	<u>-</u>	<u>61,955</u>	<u>1,149</u>

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

7. CHARITABLE ACTIVITIES

	Total funds 2018 £	<i>Total funds 2017 £</i>
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	1,114,788	931,409
National insurance	80,130	65,482
Pension cost	164,798	139,451
Depreciation	258,536	272,904
Technology costs	150	5,546
Educational supplies	84,813	65,630
Staff development	12,253	46,944
Educational consultancy	-	28,414
Other	3,505	2,290
Trips (unrestricted)	14,268	10,924
Curriculum support	48,068	79,536
Catering (unrestricted)	134,711	120,245
	<u>1,916,020</u>	<u>1,768,775</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	139,441	135,929
National insurance	9,351	6,264
Pension cost (including LGPS costs)	128,072	122,423
Pension finance costs	5,000	3,000
Educational supplies	41,051	26,673
Printing, postage and stationary	26,719	20,968
Recruitment and support	4,363	22,263
Maintenance of premises and equipment	37,687	51,342
Cleaning	4,683	6,650
Curriculum Support	62,505	49,521
Marketing and advertising	(7,341)	2,404
Insurance	9,440	7,800
Telephone	2,868	8,159
Interest paid	-	929
Other support costs	52,228	35,606
Governance costs	19,518	25,195
Legal and professional fees	57,032	16,614
	<u>592,617</u>	<u>541,740</u>
	<u><u>2,508,637</u></u>	<u><u>2,310,515</u></u>

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	258,536	272,904
Auditor's remuneration - audit	8,715	8,150
Auditor's remuneration - other services	6,075	3,700
	<u><u> </u></u>	<u><u> </u></u>

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	1,153,958	984,648
Social security costs	89,481	71,745
Operating costs of defined benefit pension schemes	292,870	261,873
	1,536,309	1,318,266
Agency staff costs	100,271	67,690
Staff restructuring costs	-	15,000
	1,636,580	1,400,956

Staff restructuring costs comprise:

Severance payments	-	15,000
	-	15,000

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2017: £15,000 paid to 1 employee).

c. Staff numbers

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

	2018	2017
	No.	No.
Teachers	22	17
Administration and support	45	19
Management	6	4
	73	40

No employee received remuneration amounting to more than £60,000 in either year.

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. GOVERNORS' REMUNERATION AND EXPENSES

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

		2018	2017
		£	£
Ms S Reay (Headteacher and Trustee)	Remuneration	-	55,000-60,000
	Pension contributions paid	-	5,000-10,000
Mrs F Bloxham (Staff Trustee)	Remuneration	-	5,000-10,000
	Pension contributions paid	-	0-5,000
Mrs S Smart (Staff Trustee)	Remuneration	10,000-15,000	10,000-15,000
	Pension contributions paid	0-5,000	0-5,000
Mr D Sansom (Headteacher)	Remuneration	55,000-60,000	-
	Pension contributions paid	5,000-10,000	-

During the year ended 31 August 2018, no Governors received any reimbursement of expenses (2017 - £Nil).

The key management personnel of the academy trust comprise the trustees and senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £304,384 (2017: £208,576).

11. GOVERNORS' AND OFFICERS' INSURANCE

The trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

12. OTHER FINANCE INCOME

	2018	2017
	£	£
Interest income on pension scheme assets	10,000	4,000
Interest on pension scheme liabilities	(15,000)	(7,000)
	<u>(5,000)</u>	<u>(3,000)</u>

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

13. TANGIBLE FIXED ASSETS

	Freehold property £	Furniture and fixtures £	Plant and equipment £	Total £
Cost				
At 1 September 2017	7,622,724	220,951	254,035	8,097,710
Additions	-	25,981	78,765	104,746
At 31 August 2018	<u>7,622,724</u>	<u>246,932</u>	<u>332,800</u>	<u>8,202,456</u>
Depreciation				
At 1 September 2017	455,541	66,647	172,103	694,291
Charge for the year	152,464	45,294	60,778	258,536
At 31 August 2018	<u>608,005</u>	<u>111,941</u>	<u>232,881</u>	<u>952,827</u>
Net book value				
At 31 August 2018	<u>7,014,719</u>	<u>134,991</u>	<u>99,919</u>	<u>7,249,629</u>
At 31 August 2017	<u>7,167,183</u>	<u>154,304</u>	<u>81,932</u>	<u>7,403,419</u>

14. DEBTORS

	2018 £	2017 £
Trade debtors	23,202	2,000
Other debtors	105,055	70,942
Prepayments and accrued income	23,362	46,401
Tax recoverable	27,264	10,892
	<u>178,883</u>	<u>130,235</u>

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

15. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	145,274	66,425
Other taxation and social security	46,441	38,214
Abatement of GAG	163,144	140,326
Other creditors	1,982	76,052
Accruals and deferred income	127,021	90,681
	483,862	411,698
	483,862	411,698
	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	23,212	56,017
Resources deferred during the year	30,839	23,212
Amounts released from previous years	(23,212)	(56,017)
	30,839	23,212
	30,839	23,212

At the balance sheet date the Academy Trust was holding grants received in advance of £30,839 (2017: £23,212).

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

16. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Total unrestricted funds (iii)	52,500	113,662	(76,223)	-	-	89,939
Restricted funds						
General Annual Grant (GAG) (i)	288,288	1,864,003	(1,646,545)	(204,437)	-	301,309
Other DfE/ESFA grants	-	306,491	(306,491)	-	-	-
Catering	-	27,762	(134,709)	106,947	-	-
Other Government grants	-	38,088	(38,088)	-	-	-
Pension reserve	(171,000)	-	(110,000)	-	105,000	(176,000)
	<u>117,288</u>	<u>2,236,344</u>	<u>(2,235,833)</u>	<u>(97,490)</u>	<u>105,000</u>	<u>125,309</u>
Restricted fixed asset funds						
DfE/ESFA capital grants (ii)	7,403,418	82,257	(258,536)	97,490	-	7,324,629
Total restricted funds	<u>7,520,706</u>	<u>2,318,601</u>	<u>(2,494,369)</u>	<u>-</u>	<u>105,000</u>	<u>7,449,938</u>
Total of funds	<u><u>7,573,206</u></u>	<u><u>2,432,263</u></u>	<u><u>(2,570,592)</u></u>	<u><u>-</u></u>	<u><u>105,000</u></u>	<u><u>7,539,877</u></u>

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

- (i) General Annual Grant must be used for the normal running costs of the Academy.
- (ii) The Capital Grants represents fixed asset funding for various capital projects and the school building which was funded by DfE.
- (iii) Unrestricted funds included trips & activities, investment income and other income such as hire of facilities and sale of school uniform.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

16. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
Unrestricted funds	<u>24,284</u>	<u>40,289</u>	<u>(12,073)</u>	<u>-</u>	<u>-</u>	<u>52,500</u>
Restricted funds						
General Annual Grant (GAG) (i)	258,602	1,639,791	(1,508,477)	(101,628)	-	288,288
Other DfE/ESFA grants	-	290,965	(290,965)	-	-	-
Catering	-	18,617	(120,245)	101,628	-	-
Pension reserve	(117,000)	-	(107,000)	-	53,000	(171,000)
	<u>141,602</u>	<u>1,949,373</u>	<u>(2,026,687)</u>	<u>-</u>	<u>53,000</u>	<u>117,288</u>
Restricted fixed asset funds						
DfE/ESFA capital grants (ii)	7,586,309	90,013	(272,904)	-	-	7,403,418
Total of funds	<u><u>7,752,195</u></u>	<u><u>2,079,675</u></u>	<u><u>(2,311,664)</u></u>	<u><u>-</u></u>	<u><u>53,000</u></u>	<u><u>7,573,206</u></u>

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds	<u>24,284</u>	<u>153,951</u>	<u>(88,296)</u>	<u>-</u>	<u>-</u>	<u>89,939</u>
Restricted funds						
General Annual Grant (GAG) (i)	258,602	3,503,794	(3,155,022)	(306,065)	-	301,309
Other DfE/ESFA grants	-	597,456	(597,456)	-	-	-
Catering	-	46,379	(254,954)	208,575	-	-
Other Government Grants	-	38,088	(38,088)	-	-	-
Pension reserve	(117,000)	-	(217,000)	-	158,000	(176,000)
	<u>141,602</u>	<u>4,185,717</u>	<u>(4,262,520)</u>	<u>(97,490)</u>	<u>158,000</u>	<u>125,309</u>
Restricted fixed asset funds						
DfE/ESFA capital grants (ii)	7,586,309	172,270	(531,440)	97,490	-	7,324,629
	<u>7,727,911</u>	<u>4,357,987</u>	<u>(4,793,960)</u>	<u>-</u>	<u>158,000</u>	<u>7,449,938</u>
Total of funds	<u><u>7,752,195</u></u>	<u><u>4,511,938</u></u>	<u><u>(4,882,256)</u></u>	<u><u>-</u></u>	<u><u>158,000</u></u>	<u><u>7,539,877</u></u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	7,249,629	7,249,629
Current assets	89,939	785,173	75,000	950,112
Creditors due within one year	-	(483,864)	-	(483,864)
Provisions for liabilities and charges	-	(176,000)	-	(176,000)
	<u>89,939</u>	<u>125,309</u>	<u>7,324,629</u>	<u>7,539,877</u>

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2017	2017	2017	2017
	£	£	£	£
Tangible fixed assets	-	-	7,403,418	7,403,418
Current assets	52,498	699,986	-	752,486
Creditors due within one year	-	(411,698)	-	(411,698)
Provisions for liabilities and charges	-	(171,000)	-	(171,000)
	<u>52,498</u>	<u>117,288</u>	<u>7,403,418</u>	<u>7,573,206</u>

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

	2018	2017
	£	£
Net expenditure for the year (as per Statement of Financial Activities)	(138,329)	(231,990)
Adjustment for:		
Depreciation charges	258,536	272,905
Dividends, interest and rents from investments	-	(453)
Decrease/(increase) in stocks	6,108	(6,108)
Increase in debtors	(47,153)	(26,092)
Increase in creditors	70,666	90,783
Capital grants from DfE and other capital income	(82,257)	(90,013)
Defined benefit pension scheme cost less contributions payable	105,000	104,000
Defined benefit pension scheme finance cost	5,000	3,000
Net cash provided by operating activities	<u>177,571</u>	<u>116,032</u>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	2017
	£	£
Cash in hand	771,227	616,142
Total	<u>771,227</u>	<u>616,142</u>

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. CAPITAL COMMITMENTS

At 31 August 2018 the Academy had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	-	-

21. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Bedford Borough council. Both are Multi-Employer Defined Benefit Pension Schemes.

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

Contributions amounting to £24,142 were payable to the schemes at 31 August 2018 (2017 - 21,405) 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

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.
- 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

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

21. PENSION COMMITMENTS (continued)

- 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%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the period amounted to £83,161 (2017 - £80,631).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £126,000 (2017 - £96,000, of which employer's contributions totalled £98,000 (2017 - £74,000) and employees' contributions totalled £28,000 (2017 - £22,000). The agreed contribution rates for future years are 19% for employers and between 5.5% and 12% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.60 %	2.70 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %
Inflation assumption (CPI)	3.10 %	3.10 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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

	2018	2017
Retiring today		
Males	22.4	22.4
Females	24.5	24.5
Retiring in 20 years		
Males	24.0	24.0
Females	26.2	26.2

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

21. PENSION COMMITMENTS (continued)

Sensitivity analysis	At 31 August 2018 £	At 31 August 2017 £
Discount rate -0.5%	121,000	91,000
Salary +0.5%	6,000	7,000
Pension +0.5%	115,000	84,000

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	274,920	186,960
Property	42,660	29,520
Cash	90,060	62,320
Debt instruments	66,360	49,200
Total market value of assets	474,000	328,000

The actual return on scheme assets was £20,000 (2017 - £103,000).

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

	2018 £	2017 £
Current service cost	(203,000)	(178,000)
Interest income	10,000	4,000
Interest cost	(15,000)	(7,000)
Total	(208,000)	(181,000)

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

	2018 £	2017 £
Opening defined benefit obligation	499,000	246,000
Current service cost	203,000	178,000
Interest cost	15,000	7,000
Employee contributions	28,000	22,000
Actuarial (gains)/losses	(95,000)	46,000
Closing defined benefit obligation	650,000	499,000

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

21. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	328,000	129,000
Interest income	10,000	4,000
Actuarial gain/(loss)	10,000	99,000
Employer contributions	98,000	74,000
Employee contributions	28,000	22,000
	<u>474,000</u>	<u>328,000</u>

22. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	3,259	-
Amounts due between two and five years	5,703	-
Amounts due after five years	-	-
	<u>-</u>	<u>-</u>

23. MEMBERS' LIABILITY

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

ACTIVE EDUCATION ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

24. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust 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 Governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the period:

Expenditure related party transactions:

Active Luton limited - a charitable company with shared directors:

-The Academy Trust purchased services during the year relating to project & facilities management, financial, professional, and administration services from Active Luton limited totaling £122,194 (2017: £123,128). At the year end the balance outstanding with Active Luton limited was £9,333 (2017: £10,788).

-In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

-The element above £2,500 has been provided 'at no more than cost' and Active Luton limited has provided a statement of assurance confirming this.

Income related party transactions:

-During the year Active Luton limited hired facilities totaling to £11,299.