

THE AURIGA ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2017

THE AURIGA ACADEMY TRUST
(A company limited by guarantee)

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THE AURIGA ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE PERIOD ENDED 31 AUGUST 2017

Members

Mr James De Bass
Ms Jacqui Gerrard
Mr Simon James
Mr David Leeming
Mr Keith Tysoe
Mr Harry James (non-voting)

Trustees / Governors

Mr John Kipps Chief Executive Officer
Mr Harry James Chair
Dr Joanne Dixon Vice Chair
Mrs Susan Connor Finance Director
Ms Charlotte Flack
Ms Mary Geddes
Mrs Gaelle Newland
Mr Ivan Pryce
Mr Paul Roberts *(currently acting Trustee to be formally appointed by Members)*
Ms Anne Timothy
Mr Ashley Whitaker

Company Secretary

Mrs Susan Connor

Governors – Clarendon School

Mr Maurice Press (Chair of Governors)
Mrs Gaelle Newland (Vice Chair)
Mr John Kipps (Head Teacher)
Ms Yvonne Coney
Dr Joanne Dixon
Ms Cathy Kafka *(to 30 April 2017)*
Mr Primesh Kalia
Ms Kayleigh Frampton
Mr Robert Harvey
Mr Mike Patrick *(from 23 January 2017)*
Mr Keith Tysoe
Ms Sarah Bright *(Associate to 31 August 2017)*
Mr Davis Francis *(Associate to 31 August 2017)*
Mrs Andrea Oliver *(Associate)*

Senior Leadership Team – Clarendon School

Mr John Kipps (Head Teacher)
Ms Lynn Majakas (Deputy Head Teacher)
Ms Rosemary Clarke (Deputy Head Teacher)

Ms Angela Mason (Deputy Head Teacher)
Ms Sarah Bright (Head of Gateway Centre)

Mrs Andrea Oliver (School Business Manager)

Governors - Strathmore School

Mr Harry James (Chair of Governors)
Ms Isabelle Barthe-Purton (Vice Chair)
Mr Ivan Pryce (Head Teacher)
Ms Yolanda Bryant
Mr David Leeming *(to 6 January 2017)*
Ms Lauren Crew
Ms Niki Crookdake
Ms Tina Haida *(from 23 January 2017)*
Michael Harlow *(from 23 January 2017)*
Mrs Gaelle Newland
Mr Robin Meltzer *(to 31 July 2017)*
Mrs Susan Connor *(Associate)*
Mrs Sarah Hurtado *(Associate)*
Mrs Eleanor Sheehan *(Associate)*

Senior Leadership Team - Strathmore School

Mr Ivan Pryce (Head Teacher)
Mrs Sarah Hurtado (Deputy Head Teacher)
Mrs Eleanor Sheehan (Deputy Head Teacher –
Head of Centre)
Ms Yvonne Puttmann (Assistant Head Teacher)
Mrs Susan Connor (School Business
Manager)

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REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

Company Name

The Auriga Academy Trust

Principal and registered office

The Auriga Academy Trust, c/o Strathmore School, Meadlands Drive, Petersham, Richmond, TW10 7ED

Company registered number

10284264 (England & Wales)

Independent Auditor

MHA MacIntyre Hudson, Abbey Place, 24 - 28 Easton Street, High Wycombe, Buckinghamshire, HP11 1NT

Bankers

Lloyds Bank Group, Lloyds Banking plc, 84 Station Road, Addlestone, Weybridge, Surrey KT15 2AE

Solicitors

Mills & Reeve LLP, 78-84 Colmore Row, Birmingham B3 2AB

THE AURIGA ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2017

The Auriga Academy Trust trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the period 1 October 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates 2 special academies, Clarendon School and Strathmore School, and caters for pupils aged 4 to 19. The Trust serves a catchment area in Richmond and Kingston with pupils also being admitted from neighbouring boroughs of Hounslow, Wandsworth and Surrey. The academies have a combined pupil capacity of 205 and had a roll of 211 in the school census on May 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust.

The Trustees of The Auriga Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Auriga Academy Trust.

Details of the Trustees who served throughout the period 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 £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to The Auriga Academy Trust. The cost of this insurance in the period was £3,978.

Method of Recruitment and Appointment or Election of Trustees

The Chair of Governors and Head Teachers of the predecessor schools as at 30th September 2016 were appointed as trustees. Both schools continue to operate a Local Governing Body (LGB) which reports to the Board of Trustees.

Subject to Articles 48-49 and 53, the Articles of The Auriga Academy Trust require that the makeup of the Board of Trustees be as follows:

- Up to 12 Trustees appointed by the members by Ordinary Resolution (Article 50);
- A minimum of 2 Parent Trustees, if no provision is made for at least 2 Parent Local Governors on each established Local Governing Body (Article 46c);
- Co-opted Trustees may be appointed under Article 58 (Article 47);
- The total number of Trustees who are employed by the Trust will not exceed one third of the total number of trustees (Article 50B);
- Local Authority Associated Persons cannot exceed 20% or more of the total number of trustees.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

Method of Recruitment and Appointment or Election of Trustees (continued)

The term of office for any Trustee is 4 years, excepting for the Head Teachers.

As The Auriga Academy Trust continues to develop the need to recruit an additional independent Trustee with specific expertise continues to be a focus. Any vacancies on the Board of Trustees are addressed through a recruitment process which involves sourcing a potential shortlist from the existing Local Governing Bodies and upstanding members of the local community with the relevant expertise and skill-set. Candidates are assessed by the Chair and Vice Chair of Trustees and the Chief Executive Officer.

Policies and Procedures Adopted for the Induction and Training of Trustees

On joining the Trust a Trustee is provided with a copy of the Articles of Association, a copy of the Academies Financial Handbook, is required to sign the Trustee Code of Conduct and is encouraged to visit both schools. Trustees are provided with access to copies of policies, procedures, minutes, accounts, budgets, plans and other documentation that they will need to undertake their role as Trustees. The training and induction provided for each new Trustee will depend on their existing experience and where necessary induction will provide training on charity, educational, legal and financial matters.

The Academy Trust performs an annual skills audit of Trustees, should any gaps be identified training courses are offered to address these issues. Both Academies subscribe to the Local Authorities Governors Support and Continuing Professional Development Programme (SPARK) which offers a comprehensive range of training programmes.

Organisational Structure

The academy has established a management structure to enable its efficient running. The organisational structure consists of five levels; the Members, the Board of Trustees, Local Governing Bodies including the sub-committees, Senior Leadership Teams and members of staff. The aim of the management structure is to devolve responsibility and encourage engagement and decision making at all levels.

The members hold the Trust Board accountable and are responsible for Trust Board appointments.

The Trust Board is responsible for setting general policy, making major decisions about the direction of the Trust, adopting an annual review of long term strategic plans and budgets, monitoring of each school's performance, oversight of capital expenditure and approval of senior staff appointments. All statutory policies and procedures are reviewed and approved by the Trust Board to ensure consistency of understanding and practice is in place across the Trust. The appropriate members of staff and committees in both academies continue to work collaboratively to produce Trust wide policies and procedures.

Each Local Governing Body receives delegated authority from the Trust Board to support the Trust in fulfilling its obligations. The Scheme of Delegation details which matters are delegated. In summary, Local Governing Bodies remain responsible for setting local policies, developing and monitoring the School Development Plans and setting a 5 year budget. The Trust Board approves and submits one consolidated budget and monitors the use of budgets by academies.

The Head Teacher of each academy is directly responsible for its day-to-day running and is assisted by their Senior Leadership Team. The Head Teachers are responsible for the appointment of all staff with the exception of Leadership posts. The Scheme of Delegation states that leadership posts are made in conjunction with the Trustees.

The Chief Executive of the Trust assumes the role of the Accounting Officer.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

Arrangements for setting pay and remuneration of key management personnel

The arrangements for setting the pay and remuneration of the academies key management personnel are monitored by the Finance & Resources Committee which comprises of at least 3 trustees. The Trust Board has adopted the principles of the Local Authorities model Teachers' Pay Policy which has been based on the national agreement for teachers agreed in consultation with the trade union representatives. The Local Governing Body Pay Committees have delegated responsibility to implement and monitor the Trust wide Pay Policy for teachers and support staff. The Trust has reviewed and aligned teacher and support staff roles and salaries in order to ensure that there is consistency and fairness across the trust.

Related parties and other connected charities and organisations.

Clarendon School and Strathmore School work alongside Friends of Clarendon (Charity Number 267119) and Friends of Strathmore School ("FOSS") (Charity Number 1024661) respectively to raise funds for the benefit of pupils and support their wider education.

Friends of Clarendon support the school community with pupil led fund raising and social activities for parents.

Friends of Strathmore School have assisted with funding the purchase of an outdoor canopy for the Grey Court campus and are currently fundraising to match fund a grant the school secured to purchase a new minibus. They also raise funds to enhance the pupils' environment and this year have provided musical instruments, specialised classroom resources and funded sessions with Music for Autism.

Throughout the period each academy also holds several fund raising events to support national charities which this year has included Jeans for Genes, Children in Need, Christmas Jumper Day and Comic Relief and Breast Cancer awareness and a range of other smaller local charities.

OBJECTIVES AND ACTIVITIES

The principle object and activity of the charitable company is to advance, for the public benefit, special educational provision for pupils with Special Educational Needs and Disabilities (SEND).

Objectives, Strategies and Activities

The Auriga Academy Trusts' strategic vision is to provide an outstanding education for all pupils with SEND in the local community whatever their individual difficulties and needs.

The Trusts objectives are

- for all pupils and students to make outstanding, measurable progress; both towards individual academic targets and as a whole person functioning in her or his community with confidence and high self-esteem.
- to develop each young person by matching high expectations with specialised and appropriate teaching and support.
- to provide access to a fun, flexible and personalised creative curriculum in which meaningful learning opportunities are provided in real life contexts.
- to develop and enhance the communication skills of each young person by using multi-modal means such as sign, symbol and voice output as appropriate.
- to prepare our students for adulthood with as much independence as possible.
- to set the highest possible standards for our staff whether it is leadership, teaching or therapy, as in order for our pupils and students to receive outstanding education they must receive outstanding teaching and care.
- to be an integral part of the local community by having the capacity to offer places and provide support to those young persons with Special Educational Needs.

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

Objectives, Strategies and Activities (continued)

The Trust believes it can achieve this by

- working in a supportive partnership with the special schools within the Trust, with each school maintaining its unique identity and ethos so that it can cater for the specific needs of its pupils and students.
- building on the current expertise and experience of staff through continued professional development and by sharing specialist knowledge across the Trust, with the aim of becoming a recognised national leader in special needs education.
- support the specific needs of our pupils and students by directly commissioning therapy services and engaging extra support to ensure that it is as targeted and as responsive as possible.
- creating economies of scale by sharing core administrative functions and by negotiating bought in services for our schools which will enable greater investment where it matters, in the classroom.
- addressing the future demand for specialist provision now.

The main activities for achieving objectives the Trust will undertake will be to

- continue to ensure Continuing Professional Development is given a high profile, with an emphasis on cross Trust sharing of best practice, in order to develop staff expertise and raise standards.
- develop school based teacher training and strengthen links with teaching universities to ensure we have the highest calibre of teaching staff.
- continue to develop the Teaching Assistant Apprentice Scheme to train our own Teaching Assistants to the highest standard and provide valuable employment opportunities within the local community.
- continue to work with the Local Authority to ensure that funding is secure and appropriate to the needs of our pupils and students and that therapies are commissioned effectively.
- expand existing provision at both schools through the relocation of both schools to new sites.
- open a new free school for pupils and students as approved by the Department for Education with moderate learning difficulties to provide 28 primary and 44 secondary places.
- continue to seek to further accommodate young people within our local community with complex learning difficulties with a potential capacity for 100 places with residential provision.
- embed the Trust academy structure by bringing together the Local Governing Bodies, Trustees and Members and securing centralised systems to ensure robust policies and procedures are in place.

Public Benefit

The Trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties. In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees believe that the Academy Trust's aims, together with the activities outlined above, are demonstrably to the public benefit.

The Auriga Academy Trust is founded on the vision that we can provide outstanding learning experiences for the pupils and students with special educational needs in our local communities both now and in the future. The relocation of both academies to new sites which are co-located with mainstream schools ensures that inclusion is a key focus in both schools' curriculums with the aim of fostering a better understanding of special educational needs and disability.

Wherever possible each academy aims to contribute to the benefit of the wider public by making available the premises to third parties for the provision of educational and other opportunities.

STRATEGIC REPORT

The Auriga Academy Trust is in its first year of operation and comprises of 2 academies.

Clarendon School is a community special school for pupils aged 4 to 16 with moderate learning difficulties, many of whom have additional complex needs, including autism. The school manages an offsite centre, The Gateway, which is for pupils aged 11 to 16 and is co-located adjacent to Twickenham School. Clarendon School was OFSTED inspected in June 2014 and was classified as Outstanding.

Strathmore School is a community special school for pupils aged 4 to 19 with complex learning difficulties. Many pupils have an additional diagnosis of Autistic Spectrum Disorders or have additional physical and sensory disabilities. The School was OFSTED inspected in Autumn 2014 and was classified as Good.

Achievements and Performance

Assessment has changed due to the removal of National Curriculum Levels. Each school is required to determine its own method of assessment that measures pupil progress.

Clarendon School

Clarendon School uses a bespoke version of Classroom Monitor to record teacher assessments of pupil progress. Teachers record the small steps the pupils make and use these steps to build a bigger picture of the pupils' learning and achievements. Progress is recorded at least termly. Pupils also complete work each half term for their Golden Books, in which examples of assessed work are included as evidence of pupil progress. Teaching staff moderate their judgements internally each term for both English and Maths, and the school also takes part in external moderation meetings at least annually with other similar special schools to ensure consistency in the levelling of children's work.

In addition to teacher assessments, each child completed standardised assessments annually in reading, spelling and maths. The results of cohorts of pupils are analysed by teaching group, gender, specific need and by ethnicity to ensure that no groups are underperforming, and targeted interventions are then put in place for individuals or groups making less than expected progress.

The majority of pupils leaving Clarendon at the end of year 11 since the formation of the Trust have gone on to further education, either at colleges or within special school post 16 provisions. The average point score for pupils leaving Clarendon at the end of Year 11 in 2017 was 140 (114 in 2016).

The average progress in reading (according to standardized testing) for all pupils in 2016/17 was 13 months, with 76% of the 26 pupils leaving KS4 having made at least upper quartile progress compared to other similar good or outstanding special schools.

66% of pupils completing KS4 in 2017 made at least upper quartile progress in writing (according to teacher assessments, compared to other similar good or outstanding special schools), with 81% making at least median progress. 46% of pupils completing KS4 in 2017 made at least upper quartile progress in maths (according to teacher assessments, compared to other similar good or outstanding special schools), with 100% making better than lower quartile progress. The average progress in maths since year 7 (according to standardized testing) for pupils finishing KS4 in 2017 was 29.7 months (26.7 months in 2016 and 23.4 months in 2015).

No specific groups were found to have underperformed when compared to average progress across the school this year. In 2016, pupils with autism were found to have performed slightly less well than average in maths. However, interventions put in place appear to have been effective, with their progress in line with average rates this year.

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

Achievements and Performance (continued)

The school has a well-defined life skills curriculum against which pupils are assessed regularly. There has been a significant increase in Occupational Therapy provision within the school since the formation of the Trust.

Each of the five pupils leaving the Gateway Centre in 2017 achieved between 5 to 8 GCSE passes including English, maths and science in line with expectations. All have gone on to college placements.

The School's curriculum is reviewed on an on-going basis to ensure that it meets the needs of the children and is modified accordingly. For example, a particularly able group has been identified in year 8 in science, and we are investigating a level 1 BTEC qualification for this group.

The school adopts differing approaches to the differing behavioural needs of pupils. The house system and awarding of reward points promotes positive behaviour and celebrates successes. Behavioural data, recorded on Sleuth, demonstrates an annual decrease on the number of pupils involved in higher level unwanted behaviours over the last three years. PASS data is collected by the school and usefully supports pupils' connection with school and learning.

Clarendon has been awarded the Healthy Schools bronze and silver awards and The Arts Mark (Gold).

Strathmore School

Strathmore School tracks pupils' progress towards their Annual Outcomes (as stated in their EHCP and set at Annual Review) using MAPP (Mapping & Assessing Pupil Progress) which was developed by The Dales School. The process enables school to track the progress pupils make towards each outcome within four strands of the Continuum of Skill Development: *Prompting* (from dependent to independent), *Fluency* (from approximate to accurate), *Maintenance* (from inconsistent to consistent) and *Generalisation* (from a single context to many contexts). The school will be using the Engagement Profile & Scale to track progress of pupils working at pre-subject specific levels. Outcomes are set from the Welsh Government Routes for Learning Materials, MAPP Milestones and the EQUALS Moving On materials. Outcomes include specific literacy (Communication & Interaction) and numeracy (Cognition) objectives.

Teachers record the small steps the pupils make and use these steps to set next small steps in pupils learning. Progress is tracked twice in each term leading back to the Annual Review. Progress is moderated and checked via Pupil Progress meetings with a member of the School Leadership Team. This is to ensure that specific areas are identified and addressed. The school takes part in external moderation meetings with other special schools to ensure that examples of pupils' work accurately illustrate their learning. This was last conducted at the end of the spring term 2017.

EHCP area	Better than Expected Progress (% of Outcomes – all pupils)	Expected Progress (% of Outcomes – all pupils)	Some progress (% of Outcomes – all pupils)
Cognition	22%	50%	28%
Communication	18%	51%	32%
SEMH	17%	44%	39%
Physical	18%	50%	32%

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

Achievements and Performance (continued)

The proportion of pupils not making expected or better than expected progress towards SEMH Outcomes is low partially due to their Outcomes being related to diminishing challenging behaviours which are often deep seated and although significantly diminished have not been removed. A focus on both addressing challenging behaviours as well as composing Outcomes that are meaningful, themselves challenging and achievable is set out for this academic year.

Against Progression Guidance materials (DfE) to reference Key Stage progress for pupils working within P Levels, every year since 2013/14, 100% of pupils have achieved in the Median and Upper Quarter in both English and Maths. Historical information is that pupils continue to make better than expected progress between each Key Stage.

All post 16 students achieved externally accredited qualifications within Foundation Learning. There are opportunities for individuals to work towards Entry Level qualification. The curriculum recognises progress within academic and pre-vocational/life skills areas of learning.

Strathmore has been awarded the Healthy Schools Gold Award and The Arts Mark Award at Gold.

Both schools work very closely with a wide range of professionals to ensure that all pupil and student needs are met including Speech & Language, Occupational and Physiotherapists plus those from Sensory Impairment Services and other specialists. External professionals commissioned include Music Therapists, Play Therapist, additional Educational Psychology, Children's Learning Disability and Mental Health Service (CAMHS). Joint planning with therapists has ensured greater connections and improved opportunity for pupils to practice skills.

Both schools use SLEUTH data to help inform senior leaders of the impact of any individual intervention as a consequence of challenging behaviour.

Key Financial Performance Indicators

The Trustees consider that the following are key performance indicators for the Academy Trust:

- Pupil numbers have a direct impact on funding levels. The Trust continues to work with the Local Authority through the Memorandum of Understanding to ensure that pupils are placed appropriately on a timely basis to ensure that staffing levels correlate to pupil needs.
- The percentage of income spent on staffing in 2016/17 was 86%. The Trustees are aware that this is high in comparison to mainstream settings but as a special school it is felt to be justified for the support and safekeeping of the children and is also comparable to similar special school as detailed in the Educational Services Funding Agency Benchmarking Reports.

Going Concern

After making appropriate enquiries, the Board of Trustees 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. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

FINANCIAL REVIEW

Both Clarendon and Strathmore schools set their own school budgets. Both schools manage their own staffing structures and costs directly correlate to the staffing needs of the individual pupils at each school which are regularly reviewed. The Educational Services Funding Agency (ESFA) funds the place value based on pupil numbers provided by the Local Authority for each school. The Local Authority funds any places for pupils placed in school over and above this number. The trust operates a Trust-wide needs-based banding model to identify the specific funding requirements for each pupil, this is referred to as the pupil 'top up' funding. A Memorandum of Understanding has been agreed with the Local Authority in order to facilitate a fair charging mechanism for the pupil top-up funding.

During the period £5,576,451 of ESFA and Local Authority grants were received. Restricted funds include £56,984 of other income. Restricted fund expenditure was £5,914,580 excluding net costs on conversion. The funding received from the ESFA and the Local Authority during the 11 month period ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Academy. It should be noted that this does not present the Academy with any current liquidity problem. Overall the academy has a healthy balance sheet and cash flow and will be using reserves to maintain the current assets and also to invest back into the school in the form of additional resources and facilities both in the long term and the short term in conjunction with the School Development Plans and Trust aims. The deficits in the Local Government Pension Schemes (LGPS) are recognised on the balance sheet in accordance with the provision of FRS102.

During the period the assets were used exclusively for providing education and the associated support services to the pupils of the academies.

Reserves Policy

Reserves brought over by each school joining the Trust are accounted for in the schools' statements. Each school is responsible for setting their budget and the management of its reserves. There is no pooling of reserves by the MAT. In the event that reserves are required to be spent over and above budgeted use, the school in conjunction with their Local Governing Body can apply to the Trust to access these funds.

The level of reserves held by each school takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The Trustees will keep this level of reserves under review and aim to build and maintain the reserves level whilst in keeping with the principle object of the Trust.

Within the reserves policy, due to the accounting for the Local Government Pension Scheme (LGPS), the academy recognises a significant pension fund deficit of £1,831,000. This deficit is included in restricted funds. This does not lead to an immediate liability for this amount. Similarly, if there was a pension surplus included in the restricted funds this would not create an immediately realisable asset that can be released straight away and expended for the specific purpose of that fund. A surplus or deficit position of the pension scheme would generally result in a cash flow effect of the Academy Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Trust takes this fact into account when reviewing current business plans and budgets, and ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Trusts budgeted annual income, whilst the deficit may not be eliminated there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Academy Trust due to the recognition of the deficit.

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TRUSTEES' REPORT (continued)
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Reserves Policy (continued)

At 31 August 2017 the total funds comprised:

Unrestricted		88,535
Restricted:	Fixed asset funds	56,765
	Pension reserve	(1,831,000)
	Other	1,197,277
		<u>£(488,423)</u>

Investment Policy

The Trust does not hold any investments at the current time. The accounting policy will be determined should the need arise.

The Board of Trustees are firmly committed to ensuring that all funds under their control are administered under a risk adverse investment strategy. As such the Board do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds entrusted to the Board.

Due to the nature of the funding cycle, the Academy may at times hold large cash balances which may not be required for immediate use. In the event of such a situation arising a Cash Deposit Pooling Arrangement may be considered, having received the necessary authorisation from the Board of Trustees.

Principal Risks and Uncertainties

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The Trust is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Trust's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The academy's system of internal controls ensures risk is minimal in these areas.

A trust and Local Governing Body risk register have been implemented and are updated and reviewed regularly at both Local Governing Body and Trust level. Where appropriate, systems or procedures have been established to mitigate the risks each academy faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances.

The Trustees have identified the following principal risks to the Trust.

- Uncertainty in pupil numbers and the implications for funding. The Trust is addressing this by continuing to actively work with the Local Authority to ensure pupil places are taken up on a timely basis and that the appropriate staffing levels are in place to meet the needs of these pupils.
- The level of future funding by Government. Given the additional financial pressures faced in the education sector the Trust is addressing this by keeping Trust costs to a minimum; the Chief Executive Officer receives no additional remuneration over and above his Head Teacher position and as much compliance work is done 'in house' rather than through employing external consultants. This has also facilitated cross-school shared resources in particular with regards to staff training and central back office functions such as Finance and HR.
- Teacher recruitment and retention continues to be of concern. Various options are being explored by the Trust including in-house training and developing stronger links with Teacher Training Colleges. The Trust is also considering pay related incentives.

PLANS FOR FUTURE PERIODS

The Auriga Academy Trust seeks to respond positively to the challenge of change and build on its reputation as a centre of excellence in special education needs and disabilities.

One Year Overview of Priorities

- Continue to drive school improvement in order to improve pupil outcomes.
- Continue to review external therapy provision and ensure that it meets the needs of the Trust's pupils.
- Successfully relocate both schools over multiple sites, with minimal impact to students learning.
- Develop a Teacher Recruitment and Retention Strategy to maintain the calibre of teaching required to match the needs of the Trusts pupils.
- Continue to work with the Department for Education and ESFA to open a new free school for young people with speech, language and communication needs, to provide 28 primary and 44 secondary places.
- Embed the academy structure bringing together the Local Governing Bodies, Trustees and Members and securing centralised systems to ensure robust policies and procedures are in place but at the same time retaining the unique ethos of both schools.

Longer term Overview of Priorities

- Retain a relentless focus on pupil outcomes by continuing to invest in professional development for all staff.
- To continue to review the curriculum offered in order to ensure that it meets the needs of our changing cohorts.
- Be the first choice for SEND education in the local area.
- To continue to explore the opportunities for extending post 16 provision for a wide range of pupils with SEND.
- Explore and broaden opportunities for apprenticeships and initial teacher training.
- To continue to explore the opportunities available for the opening of a new free school for young people with complex learning difficulties with a capacity for 100 places (for ages 7 to 19 years) that includes residential provision.
- Establish the Trust as a centre of excellence providing support for other schools.
- Look beyond 19 by facilitating a pathway with local businesses to provide work experience and employment opportunities for young people with SEND.
- Develop School buildings as 'Hubs' so the Trust is an integral part of the local community.
- Continue to review local SEND and work proactively with all local stakeholders to review and extend provision.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust does not hold any funds as custodian trustee on behalf of others.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

AUDITOR

In so far as the Trustees 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.

This Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 12 December 2017 and signed on the Board's behalf by:

.....
H James
Trustee

THE AURIGA ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2017

SCOPE OF RESPONSIBILITY

As Trustees we acknowledge we have overall responsibility for ensuring that The Auriga 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 Trustees has delegated the day-to-day responsibility to the Chief Executive Officer as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Auriga Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year.

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

Trustee		Meetings attended	Out of a possible
Mr John Kipps,	Chief Executive Officer	6	6
Mr Harry James	Chair	5	6
Dr Joanne Dixon	Vice Chair	6	6
Mrs Susan Connor	Finance Director	6	6
Ms Charlotte Flack		4	6
Ms Mary Geddes		6	6
Mrs Gaelle Newland		5	6
Mr Ivan Pryce		5	6
Ms Anne Timothy		4	6
Mr Ashley Whittaker		6	6

The Scheme of Delegation sets out that the Local Governing Bodies and Head Teachers of all Schools in the trust should be as autonomous as possible. Therefore, while the Board of Trustees makes decisions, following consultation with Local Governing Bodies, on matters which affect all schools in the trust, Local Governing Bodies make decisions on matters affecting their individual schools. Local Governing Bodies and Head Teachers are given maximum delegation of responsibility and decision making for the strategic direction and day-to-day operation of their schools unless there is a cause for concern.

Since the formation of the Trust the reporting process from Head Teacher to Local Governing Body to Trustee has been reviewed to create consistency of information across the Trust. This has streamlined the reporting process, ensured comparability of information for monitoring purposes and removed any duplication. The Trust is looking to further enhance this area by implementing a new management information system in the next financial year.

The Trustees' are undertaking a self-evaluation review of governance during the spring term, the findings of which will be communicated to the Board in the coming year. Key findings, actions taken and their impact will be addressed and resolved by the Trust. Each Local Governing Body undertakes a self-evaluation review annually which feeds into the Governance Development plan.

THE AURIGA ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

GOVERNANCE (continued)

The Finance & Resources Committee is a sub-committee of the main board of trustees. This committee is responsible for assisting the decision making of the Board of Trustees by enabling more detailed consideration to be given to finance, premises and human resources, including planning monitoring and probity, to ensure sound governance and management of The Auriga Academy Trust's resources.

Attendance at meetings in the year was as follows:

Trustee		Meetings attended	Out of a possible
Mr John Kipps	Chief Executive Officer	3	4
Mr Harry James	Chair	4	4
Mrs Susan Connor	Finance Director	4	4
Ms Charlotte Flack		2	4
Mrs Gaelle Newland		3	4
Mr Ivan Pryce		4	4

The key issues for the Finance & Resources Committee were:

- Establishing a Trust wide Business Plan which outlines the Trusts values and vision, its governance arrangements and its strategic plan.
- Establishing a framework for the effective management of trust wide resources in particular in relation to staffing.
- Establishing consistency of reporting across the Trust to ensure effective monitoring in all areas of performance.

The Audit & Effectiveness Committee is also a sub-committee of the main board of trustees. On creation of the Trust 2 sub committees were originally established, following the first meeting of each they were combined to form a joint Committee. This committee is responsible for reviewing the risks to the Trust and in particular the effectiveness of the system of financial internal controls. This committee is also responsible for monitoring the performance in all areas of Trust governance including communication and the impact the Trust has on all related parties.

Attendance at meetings in the period was as follows:

Trustee		Meetings attended	Out of a possible
Dr Joanne Dixon	Vice Chair	3	3
Ms Mary Geddes		2	2
Mr Ivan Pryce		2	2
Ms Anne Timothy		2	2
Mr Ashley Whitaker		3	3

The key issues for the Audit & Effectiveness Committee were:

- Undertaking the financial management and governance self-assessment (FMGS) return.
- Establishing effective internal audit procedures in the first year of operation.
- Establishing coherent Governance at all Trust levels by establishing effective communication channels, for example, the annual Trust Governance Evening.
- Obtaining and monitoring the feedback from key stakeholders, for example, through the use of a Trust wide staff survey.
- Monitoring progress and any issues arising in school improvement via reports from academy executive heads.

GOVERNANCE STATEMENT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

REVIEW OF VALUE FOR MONEY

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

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

- Ensuring the Scheme of Delegation is working effectively. Each school's Local Governing Body is accountable for the way in which the school's resources are allocated to meet the objectives set out in their respective School Development Plans. The Local Governing Body approve the annual budget and will receive and approve the external auditors' management report and take action on any recommendations made by them following the annual audit. The Local Governing Body Finance Committee meets termly to review the budget monitoring reports and to approve larger expenditure items and compliance in line with the Trust Finance Policy. All finance reports are subject to the Finance Director review and passed to the Finance & Resources Committee for further scrutiny.
- Creating economies of scale by sharing core administrative functions and investing in systems which will create long term operational savings.
- Securing the funding for Trust wide Occupational Therapy and creating an in house provision. This includes an onsite professional Occupational Therapist and specially trained Higher Level Teaching Assistants giving directed and specialised support to pupils and hence maximising the potential of the funding available.
- Monitoring pupils' progress to ensure resources are targeted appropriately and pupil premium expenditure is assessed to show effectiveness in improving the attainment of students on Free School Meals and Looked After Children.
- Using in house expertise to minimise external legal and accounting professional fees.
- Ensuring contracts are regularly reviewed. With the relocation of both schools over multiple sites, the majority of contracts are being renegotiated and benchmarked externally and against the provision the host site school can provide which can result in economies of scale. In all instances the level of service is also taken into consideration.

The Trust will continue to monitor the impact of changes to SEND funding and to maximise pupil numbers in order to secure annual funding.

**THE AURIGA ACADEMY TRUST
(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017**

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Auriga Academy Trust for the period 1 October 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 October 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint MHA MacIntyre Hudson as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included reviewing and testing all processes associated with:

- Payroll
- Purchasing
- Banking
- Personnel
- Income

On an annual basis the auditor reports to the Board of Trustees, through the Audit & Effectiveness committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Trust can confirm that the internal auditor has delivered their schedule of work as planned and that there have been no material control issues arising requiring remedial action.

**THE AURIGA ACADEMY TRUST
(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017**

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditor; and
- the financial management and governance self-assessment process; and
- the work of the Trust Finance Director who has 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 Audit & Effectiveness Committee and there are no weaknesses identified requiring an action plan.

Approved by order of the members of the Board of Trustees on 12 December 2017 and signed on its behalf by:

.....
H James
Trustee

.....
J Kipps
Accounting Officer

THE AURIGA ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE PERIOD ENDED 31 AUGUST 2017

As Accounting Officer of The Auriga Academy Trust, I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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 2016.

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.

.....
J Kipps
Accounting Officer

12 December 2017

THE AURIGA ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 AUGUST 2017

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 12 December 2017 and signed on its behalf by:

.....
H James
Chair of Trustees

THE AURIGA ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE AURIGA ACADEMY TRUST

OPINION

We have audited the financial statements of The Auriga Academy Trust for the period ended 31 August 2017 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

Except for the matter described in the basis of qualification paragraph, in our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the period 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 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF 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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

BASIS OF QUALIFICATION

The value of the tangible fixed assets in the financial statements is materially misstated. The Academy's leasehold land and buildings with a significant value has not been included in the Statement of Financial Activities as a donation on conversion in the year and has not been reflected in the Balance Sheet at 31 August 2017. The Academy Trust has not received a valuation of the leasehold land and buildings and no value has been attributed to this in the financial statements as at 31 August 2017, as detailed in note 12. The ESFA will provide a valuation during 2018 and therefore the Trustees consider it to be an inappropriate use of the Academy's funds to obtain an external valuation of the land and buildings at 31 August 2017.

THE AURIGA ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE AURIGA ACADEMY TRUST

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report including the Strategic report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

In respect solely of the failure to include the value of the leasehold land and buildings as a donation in the Statement of Financial Activities and as a tangible fixed asset in the Balance Sheet at 31 August 2017, adequate accounting records have not been kept.

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, other than for leasehold land and buildings; or
- the financial statements are not in agreement with the accounting records and returns; or

THE AURIGA ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE AURIGA ACADEMY TRUST

- certain disclosures of Trustees' remunerations specified by law 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 Trustees' responsibilities, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

BIANCA SILVA BA ACA DChA (Senior Statutory Auditor) (Senior statutory auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

18 December 2017

THE AURIGA ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE AURIGA ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 25 August 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Auriga Academy Trust during the period 18 July 2016 to 31 August 2017 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 The Auriga 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 The Auriga 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 The Auriga Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF THE AURIGA ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of The Auriga Academy Trust's funding agreement with the Secretary of State for Education dated 1 October 2016, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 18 July 2016 to 31 August 2017 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 2016 to 2017 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 Trust's income and expenditure.

THE AURIGA ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE AURIGA ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)

The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- reviewing the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing a sample of payroll payments to staff;
- testing a sample of payments to suppliers and other third parties;
- testing a sample of grants received and other income streams;
- evaluating internal control procedures and reporting lines, and testing as appropriate; and
- making appropriate enquires of the Accounting Officer.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 18 July 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

18 December 2017

THE AURIGA ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed assets funds 2017 £	Total funds 2017 £
INCOME FROM:					
Donations and capital grants	2	33,395	-	14,480	47,875
Charitable activities	5	-	5,603,762	-	5,603,762
Other trading activities	3	64,914	29,673	-	94,587
Investments	4	517	-	-	517
TOTAL INCOME		98,826	5,633,435	14,480	5,746,741
EXPENDITURE ON:					
Transfer from local authority on conversion		-	729,118	(40,853)	688,265
Charitable activities		10,291	5,914,580	11,028	5,935,899
TOTAL EXPENDITURE	6	10,291	6,643,698	(29,825)	6,624,164
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS					
		88,535	(1,010,263)	44,305	(877,423)
Transfers between Funds	15	-	(12,460)	12,460	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES					
		88,535	(1,022,723)	56,765	(877,423)
Actuarial gains on defined benefit pension schemes	21	-	389,000	-	389,000
NET MOVEMENT IN FUNDS		88,535	(633,723)	56,765	(488,423)
RECONCILIATION OF FUNDS:					
Total funds brought forward		-	-	-	-
TOTAL FUNDS CARRIED FORWARD		88,535	(633,723)	56,765	(488,423)

All of the Academy Trust's activities derive from acquisitions in the current financial period.

The notes on pages 29 to 53 form part of these financial statements.

THE AURIGA ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10284264

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £
FIXED ASSETS			
Tangible assets	12		52,034
CURRENT ASSETS			
Debtors	13	283,737	
Cash at bank and in hand		1,998,551	
		<u>2,282,288</u>	
CREDITORS: amounts falling due within one year	14	(991,745)	
		<u>1,290,543</u>	
NET CURRENT ASSETS			<u>1,290,543</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,342,577</u>
Defined benefit pension scheme liability	21		(1,831,000)
			<u>(488,423)</u>
NET LIABILITIES INCLUDING PENSION SCHEME LIABILITIES			<u>(488,423)</u>
FUNDS OF THE ACADEMY			
Restricted income funds:			
Restricted income funds	15	1,197,277	
Restricted fixed assets funds	15	56,765	
		<u>1,254,042</u>	
Restricted income funds excluding pension liability		1,254,042	
Pension reserve	15	(1,831,000)	
		<u>(576,958)</u>	
Total restricted income funds			(576,958)
Unrestricted income funds	15		88,535
			<u>88,535</u>
TOTAL DEFICIT			<u>(488,423)</u>

The financial statements on pages 26 to 53 were approved by the Trustees, and authorised for issue, on 12 December 2017 and are signed on their behalf, by:

.....
H James
Chair of Trustees

The notes on pages 29 to 53 form part of these financial statements.

THE AURIGA ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2017

	Note	2017 £
Cash flows from operating activities		
Net cash provided by operating activities	18	<u>924,882</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments		517
Purchase of tangible fixed assets		(22,209)
Capital grants from DfE/ESFA		14,480
Funds transferred on conversion		<u>1,080,881</u>
Net cash provided by investing activities		<u>1,073,669</u>
Change in cash and cash equivalents in the period		1,998,551
Cash and cash equivalents brought forward		-
Cash and cash equivalents carried forward	19	<u><u>1,998,551</u></u>

The notes on pages 29 to 53 form part of these financial statements.

All of the cash flows are derived from acquisitions in the current financial period.

THE AURIGA ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Auriga Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the 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.

Whilst there is a net deficit, this is due to the local government pension scheme liability which is a long term liability. Net current assets are £1,290,543.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the Academy Trust 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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued

General Annual Grant is recognised in full in the Statement of financial activities 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 Trust 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.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Donations are recognised on a receivable basis where 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

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 Trust 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 Trust's educational operations, including support costs and those costs relating to the governance of the Academy Trust apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

1.6 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.

1.7 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.8 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, 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:

Fixtures and fittings	-	Straight line over 7 years
Office equipment	-	Straight line over 7 years
Computer equipment	-	Straight line over 3 years

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

On 1 October 2016 Clarendon School and Strathmore School converted to an Academy Trust and the long leasehold land and buildings of Strathmore School were donated to the Academy Trust by the London Borough of Richmond upon Thames council under a 125 year lease basis.

The financial statements do not include a valuation for the long leasehold land and buildings occupied by the Strathmore School. A land and buildings valuation was requested from the ESFA in accordance with normal practice, however after the year end, the ESFA informed the Academy Trust that the valuation would not be available until January 2018 by which time the financial statements must be approved and submitted to the ESFA. The Trustees have considered value for money in relation to obtaining a third party valuation for the financial statements but do not believe that it offers good value for money. Consequently, land and buildings occupied by Strathmore School have not been included in the financial statements and the audit report has been qualified on this basis.

The land and buildings will be included in the financial statements for the year ending 31 August 2018 when the appropriate valuation is provided by the Education and Skills Funding Agency.

Strathmore School and Clarendon School also occupy premises under 5 year rental agreements for NIL consideration. The value of the donation for use of premises for its operations in the period has not been recognised as it cannot be reliably measured.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.10 Taxation

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

1.11 Pensions

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.11 Pensions (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.

1.12 Conversion to an Academy Trust

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Clarendon School and Strathmore School to an Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Charitable activities - transfer from local authority on conversion in the Statement of Financial Activities incorporating Income and Expenditure Account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

The Academy Trust is awaiting the valuation of land and buildings transferred under a 125 year lease on conversion. It is not available for these accounts but will be included in the accounts to 31 August 2018.

Further details of the transaction are set out in note 20.

1.13 Fund accounting

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

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

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

THE AURIGA ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

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 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 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The judgements that have had a significant effect on amounts recognised in the financial statements are those concerning the choice of depreciation policies and asset lives.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed assets funds 2017 £	Total funds 2017 £
	-	-	-	-
	-	-	-	-
Donations	33,395	-	-	33,395
Capital Grants	-	-	14,480	14,480
	=====	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Hire of facilities	19,446	-	19,446
Catering income - staff	2,131	-	2,131
Receipts from supply teacher insurance claims	-	26,475	26,475
Other income	43,337	3,198	46,535
	<u>64,914</u>	<u>29,673</u>	<u>94,587</u>

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Investment income	517	-	517
	<u>517</u>	<u>-</u>	<u>517</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	1,867,081	1,867,081
Pupil premium	-	81,714	81,714
Other DfE/ESFA grants	-	30,166	30,166
	-	1,978,961	1,978,961
Other government grants			
SEN funding	-	3,385,076	3,385,076
Other government grants	-	212,414	212,414
	-	3,597,490	3,597,490
Other funding			
Trip income	-	4,508	4,508
Catering income - pupils	-	22,803	22,803
	-	27,311	27,311
	-	5,603,762	5,603,762

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £
Transfer on conversion	-	-	688,265	688,265
Academy's educational operations:				
Direct costs	3,960,732	-	520,093	4,480,825
Support costs	813,042	231,914	410,118	1,455,074
	4,773,774	231,914	1,618,476	6,624,164

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

7. CHARITABLE ACTIVITIES

	Total funds 2017 £
DIRECT COSTS - EDUCATIONAL OPERATIONS	
Wages and salaries	3,948,166
Depreciation	11,028
Other staff costs	58,251
Examination fees	7,775
Technology costs	20,733
Educational consultancy	338,443
Educational supplies	42,510
Other direct costs	53,919
	<hr/>
	4,480,825
	<hr/>
SUPPORT COSTS - EDUCATIONAL OPERATIONS	
Wages and salaries	825,608
Pension finance cost	37,000
Staff related insurance	18,305
Other staff costs	2,230
Energy	59,086
Cleaning and caretaking	64,370
Maintenance of premises	77,133
Legal and professional services	51,677
Transport	14,761
Catering	54,150
Risk Protection Arrangement fees	25,736
Technology costs	66,904
Other support costs	131,588
Governance costs	26,526
	<hr/>
	1,455,074
	<hr/>
	5,935,899
	<hr/> <hr/>

EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES

	Total	Individual items above £5,000 Amount
	£	£
Gifts made by the trust	389	-

THE AURIGA ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017
	£
Depreciation of tangible fixed assets:	
- owned by the charity	11,028
Auditors' remuneration - audit	15,000
Auditors' remuneration - other services	5,346
Operating lease rentals	1,280
	<u>1,280</u>

THE AURIGA ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

9. STAFF COSTS

Staff costs were as follows:

	2017 £
Wages and salaries	3,190,111
Social security costs	290,784
Operating costs of defined benefit pension schemes	898,654
	<hr/>
	4,379,549
Apprenticeship levy	932
Supply teacher costs	384,293
Staff restructuring costs	9,000
	<hr/>
	<u>4,773,774</u>

Staff restructuring costs comprise:

	2017 £
Redundancy payments	2,520
Severance payments	6,480
	<hr/>
	<u>9,000</u>

Included within staff restructuring costs are non-statutory/non-contractual severance payments totalling £6,480. Individually, the payments were: £6,480.

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

	2017 No.
Teaching	35
Administration and support	108
Management	7
	<hr/>
	<u>150</u>

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

	2017 No.
In the band £70,001 - £80,000	1
In the band £80,001 - £90,000	1

The above employees participated in the Teachers' Pension Scheme. During the period pension contributions for this employee amounted to £25,446.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

9. STAFF COSTS (continued)

The key management personnel of the Academy Trust comprises the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and employer pension contributions) received by key management personnel for their services to the Academy Trust was £746,007.

10. TRUSTEES' REMUNERATION AND EXPENSES

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

		2017
		£
J Kipps (appointed 18 July 2016)	Remuneration	80,000-85,000
	Pension contributions paid	10,000-15,000
I Pryce (appointed 18 July 2016)	Remuneration	70,000-75,000
	Pension contributions paid	10,000-15,000
S Connor (appointed 18 July 2016)	Remuneration	10,000-15,000
	Pension contributions paid	0-5,000

During the period ended 31 August 2017, no Trustees received any reimbursements of expenses.

11. TRUSTEES' AND OFFICERS' INSURANCE

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

12. TANGIBLE FIXED ASSETS

	Fixtures and fittings	Office equipment	Computer equipment	Total
	£	£	£	£
Cost				
Additions	-	18,383	3,825	22,208
On conversion	22,747	4,815	13,292	40,854
At 31 August 2017	<u>22,747</u>	<u>23,198</u>	<u>17,117</u>	<u>63,062</u>
Depreciation				
Charge for the period	2,979	2,819	5,230	11,028
At 31 August 2017	<u>2,979</u>	<u>2,819</u>	<u>5,230</u>	<u>11,028</u>
Net book value				
At 31 August 2017	<u>19,768</u>	<u>20,379</u>	<u>11,887</u>	<u>52,034</u>

The leasehold land and buildings of Strathmore School was inherited on conversion to Academy status and no independent valuation was provided at the date of transfer. The ESFA have confirmed that they will provide a valuation to the Academy during 2018. The Trustees have not sought a valuation of the land and buildings as at 31 August 2017 as they did not consider this to be an appropriate use of Academy funds.

The leasehold land and buildings is owned by the London Borough of Richmond upon Thames. The Academy Trust has a 125 year lease and no payments to the London Borough of Richmond upon Thames are required under the lease.

13. DEBTORS

	2017
	£
Trade debtors	30,524
Prepayments and accrued income	59,781
VAT recoverable	193,432
	<u>283,737</u>

THE AURIGA ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

14. CREDITORS: Amounts falling due within one year

	2017 £
Trade creditors	612,462
Other taxation and social security	143,624
Other creditors	1,441
Accruals and deferred income	234,218
	<hr/>
	991,745
	<hr/>
	£
Deferred income	
Resources deferred during the year	30,286
	<hr/>

At the Balance Sheet date the Academy Trust was holding funds received in advance for occupational therapy and school trips.

THE AURIGA ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

15. STATEMENT OF FUNDS

	Balance at 18 July 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General unrestricted funds	-	98,826	(10,291)	-	-	88,535
Restricted funds						
General Annual Grant (GAG)	-	1,867,081	(1,768,225)	(12,460)	-	86,396
Pupil premium	-	81,714	(81,714)	-	-	-
Other DfE/ESFA revenue grants	-	30,166	(30,166)	-	-	-
Other local authority grants	-	3,597,490	(3,567,490)	-	-	30,000
Other restricted income	-	56,984	(56,984)	-	-	-
Funds on conversion	-	-	1,080,881	-	-	1,080,881
Pension reserve	-	-	(2,220,000)	-	389,000	(1,831,000)
	-	5,633,435	(6,643,698)	(12,460)	389,000	(633,723)
Restricted fixed asset funds						
Fixed asset fund	-	-	29,825	22,209	-	52,034
DfE/ESFA grants	-	14,480	-	(9,749)	-	4,731
	-	14,480	29,825	12,460	-	56,765
Total restricted funds	-	5,647,915	(6,613,873)	-	389,000	(576,958)
Total of funds	-	5,746,741	(6,624,164)	-	389,000	(488,423)

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

All general funds are held for the purposes of education in line with the Academy's objectives.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the Education and Skills Funding Agency and the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the Academy.

The local authority restricted fund represents other funding received from local government received in relation to specific purposes such as SEN funding.

The pension reserve represents the separately identifiable pension scheme deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

THE AURIGA ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

15. STATEMENT OF FUNDS (continued)

Other restricted income funds represents miscellaneous income which must be used for the purposes agreed.

The inherited fixed asset fund has been set up to recognise the tangible assets gifted to the Academy upon conversion which represent the school site including the freehold and long leasehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

The DfE/ESFA capital grant fund relates to restricted devolved capital income awarded to the Academy and the relevant restricted expenditure recorded against this.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £
Clarendon school	677,319
Strathmore school	608,493
	<hr/>
Total before fixed asset fund and pension reserve	1,285,812
Restricted fixed asset fund	56,765
Pension reserve	(1,831,000)
	<hr/>
Total	<u>(488,423)</u>

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2017 £
Clarendon school	2,219,846	488,720	389,299	703,629	3,801,494
Strathmore school	1,728,320	322,163	132,084	606,380	2,788,947
Central costs	-	14,725	248	48,575	63,548
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>3,948,166</u>	<u>825,608</u>	<u>521,631</u>	<u>1,358,584</u>	<u>6,653,989</u>

THE AURIGA ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

16. CENTRAL SERVICES

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

- Administration and governance costs

The Academy Trust charges for these services on the following basis:

50% of costs arising

The actual amounts charged during the year were as follows:

	2017
	£
Clarendon school	30,675
Strathmore school	30,675
	<hr/>
Total	61,350
	<hr/> <hr/>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed assets funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	52,034	52,034
Current assets	88,535	2,189,022	4,731	2,282,288
Creditors due within one year	-	(991,745)	-	(991,745)
Provisions for liabilities and charges	-	(1,831,000)	-	(1,831,000)
	<hr/>	<hr/>	<hr/>	<hr/>
	88,535	(633,723)	56,765	(488,423)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

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

	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(877,423)
Adjustment for:	
Depreciation charges	11,028
Dividends, interest and rents from investments	(517)
Increase in debtors	(283,737)
Increase in creditors	991,745
Capital grants from DfE and other capital income	(14,480)
Defined benefit pension scheme obligation inherited	1,810,000
Assets and liabilities on conversion	(1,121,734)
Pension adjustments	410,000
Net cash provided by operating activities	924,882

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £
Cash in hand	1,998,551
Total	1,998,551

20. CONVERSION TO AN ACADEMY TRUST

On 1 October 2016 Clarendon School and Strathmore School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Auriga Academy Trust from the London Borough of Richmond upon Thames for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net loss in the Statement of financial activities incorporating income and expenditure account as Charitable activities - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

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NOTES TO THE FINANCIAL STATEMENTS
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20. CONVERSION TO AN ACADEMY TRUST (continued)

	Unrestricted funds	Restricted funds	Restricted fixed assets funds	Total funds
	£	£	£	£
Other tangible fixed assets	-	-	40,853	40,853
Budget surplus/(deficit) on LA funds	-	1,054,102	-	1,054,102
Budget surplus/(deficit) on other school funds	-	26,779	-	26,779
LGPS pension surplus/(deficit)	-	(1,810,000)	-	(1,810,000)
Net assets/(liabilities)	-	(729,119)	40,853	(688,266)

The above net liabilities includes £1,080,881 that was transferred as cash.

21. PENSION COMMITMENTS

The Academy Trust'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 Wandsworth Council. Both are Multi-employer defined benefit pension schemes.

As described in note 20 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period ended 31 August 2017. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

The Teachers' Pension Budgeting and Valuation Accounts

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

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

Valuation of the Teachers' Pension Scheme

The latest actuarial review 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 on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

The employer's pension costs paid to TPS in the period amounted to £382,466.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

(www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Scheme changes

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

21. PENSION COMMITMENTS (continued)

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2017 was £401,000 of which employer's contributions totalled £315,000 and employees' contributions totalled £86,000. The agreed contribution rates for future years are 20.3% for Strathmore School and 23.2% for Clarendon School for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2017
Discount rate for scheme liabilities	2.60 %
Rate of increase in salaries	4.20 %
Rate of increase for pensions in payment / inflation	2.70 %
Inflation assumption (CPI)	2.70 %
RPI increase	3.60 %

THE AURIGA ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

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

	2017
Retiring today	
Males	24.4
Females	26.0
Retiring in 20 years	
Males	26.7
Females	28.3

	At 31 August
	2017
	£
Sensitivity analysis - present value of total obligation	
Discount rate +0.1%	4,559,000
Discount rate -0.1%	4,820,000
Mortality assumption - 1 year increase	4,838,000
Mortality assumption - 1 year decrease	4,543,000
CPI rate +0.1%	4,798,000
CPI rate -0.1%	4,581,000

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

	Fair value at
	31 August
	2017
	£
Equities	2,078,000
Gilts	131,000
Bonds	292,000
Property	86,000
Cash and other liquid assets	19,000
Alternative assets	251,000
Total market value of assets	2,857,000

The actual return on scheme assets was £308,000.

THE AURIGA ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

21. PENSION COMMITMENTS (continued)

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

	2017 £
Current service cost	(685,000)
Interest cost	(37,000)
Administrative expenses	(3,000)
Total	<u>(725,000)</u>

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

	2017 £
Opening defined benefit obligation	3,961,000
Current service cost	685,000
Interest cost	89,000
Employee contributions	86,000
Actuarial gains	(133,000)
Closing defined benefit obligation	<u>4,688,000</u>

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

	2017 £
Opening fair value of scheme assets	2,151,000
Interest income	52,000
Actuarial gains	256,000
Employer contributions	315,000
Employee contributions	86,000
Administrative expenses	(3,000)
Closing fair value of scheme assets	<u>2,857,000</u>

The amount shown in the Statement of Financial Activities is:

	2017 £
Changes in financial assumptions	133,000
Return on assets excluding amounts included in net interest	256,000
Actuarial gains/(losses) on defined benefit pension schemes	<u>389,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

PENSION COMMITMENTS (continued)

The amount shown in the Balance Sheet is:

	2017 £
Present value of defined benefit obligation	(4,688,000)
Fair value of scheme assets	2,857,000
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Defined benefit pension scheme liability	(1,831,000)
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22. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £
Amounts payable:	
Within 1 year	1,280
Between 1 and 5 years	1,280
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Total	2,560
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23. MEMBERS' LIABILITY

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

24. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

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