

Amethyst Academy Trust (formerly Aldersley Academies Trust)

Registered number: 08310900

Trustees' report and financial statements

For the year ended 31 August 2016



AMETHYST ACADEMY TRUST (FORMERLY ALDERSLEY ACADEMIES TRUST)
(A company limited by guarantee)

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

Trustees

Mr K Ireland
Mr J Inglis, Chair of Trustees
Mr B Stephenson, Vice Chair (resigned 16 September 2016)
Mrs K Austin, Parent Trustee (resigned 13 July 2016)
Mrs N Davis, Head Teacher
Miss G Beddow (resigned 13 July 2016)
Mr L Keise, Parent Trustee (resigned 13 July 2016)
Mrs L Lilley, Staff Trustee (resigned 13 July 2016)
Mrs C Bayley (resigned 13 July 2016)
Mrs K Sra (resigned 9 October 2015)
Mr D Williams (appointed 16 September 2016, resigned 1 December 2016)
Mr P Wilde (appointed 16 September 2016)
Mr M Marks (appointed 9 December 2015)
Mrs C Thomas (appointed 16 September 2016)
Mr P Hudson (appointed 9 December 2015, resigned 13 July 2016)
Mr P Hill (appointed 20 September 2016)
Mrs S Reid (appointed 24 November 2016)
Mrs H Bourton (appointed 24 November 2016)

Senior Management Team

Mrs N Davis, Principal
Mrs F Hedges, Vice Principal
Mrs N Bayliss, Vice Principal
Miss L Wood, Vice Principal
Mrs L Davies, Assistant Vice Principal
Mr M Keates, Assistant Vice Principal
Mrs A White, Business Director
Mrs L Vernon, Assistant Vice Principal
Mrs L Lilley, Assistant Vice Principal
Mrs J Bhangal, Assistant Vice Principal (associate)
Mr J Warburton, Assistant Vice Principal (associate)

Company registered number

08310900

Principal and registered office

Barnhurst Lane, Codsall, Wolverhampton, WV8 1RT

Clerk to the Governing Body

S Hess

Company Name

Amethyst Academy Trust (formally known as Aldersley Academies Trust)

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

Administrative details (continued)

Independent auditor

Mazars LLP, 45 Church Street, Birmingham, B3 2RT

Bankers

Lloyds Bank Plc, Wolverhampton, WV1 1RF

Solicitors

Eversheds

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2016

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period September 1st 2015 to 31st August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in Wolverhampton. It has a pupil capacity of 1100 and had a roll of 800 in the school census on October 1st 2016.

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 academy trust. The trustees of Amethyst Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company changed its name on 15 June 2016 and is now known as Amethyst Academy Trust.

Details of the trustees who served during the year 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

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 (2015: £5,000,000) on any one claim and the cost for the year ended 31 August 2016 was £1,268 (2015 - £1,192).

Method of Recruitment and Appointment or Election of Trustees

As set out in the Articles the Directors may elect and then appoint Trustees. The term of office for any Trustee is 4 years. The Board of Trustees who were office on 31 August and served for all or part of the year are listed on page 1.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Academy procures Governor Support services from an independent company. Additional training is provided as required based on individual or collective need. External advice and support is commissioned where necessary.

Organisational Structure

The Principal is the accounting officer as we are presently operating as a single-academy trust. The strategic direction of the trust is reserved for the board of trustees. The running of Aldersley High School is delegated to the Principal and the Senior Leadership Team. The management of the MAT is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

When appointing new members, the Board will give consideration to the skills and experience mix of the existing members in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

The Trustees establish an overall framework for the governance of the Academy and is responsible for setting general policy, adopting an annual plan and budget, monitoring the company by the use of budgets, making major decisions about the strategic direction of the company and senior staff appointments. The Trustees are

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

also responsible for the monitoring and performance of the Principal on a regular basis.

Arrangements for setting pay and remuneration of key management personnel

The School Teachers' Pay and Conditions Document (STPCD, blue book) places a statutory duty on schools to adopt a pay policy which sets out the basis on which they determine teachers' pay, the date by which they will determine the teachers' annual pay review; and the procedures for determining appeals.

1.2 Amethyst Academy Trust complies within the legal framework set out in the STPCD and in other relevant legislation that affects all employers e.g. equality legislation, employment protection and data protection.

1.3 Our pay policy, that is reviewed annually, sets out the framework on which the Governing Body will make its decisions and the way in which it will exercise its discretionary powers. It has been developed to comply with current legislation and the requirements of the STPCD and has been consulted on with staff and/or the recognised Professional Associations.

The Governing Body's pay policy is based on the guiding principles below:

- Recognition that national and local agreements on pay and related conditions of service must be followed and that advice from the Headteacher and the Authority will be considered.
- Recognition that the application of the powers regarding pay (and related on-costs) has financial implications which need to be considered carefully given the effect of any changes in the school's budget in future years.
- Salary determination should clearly be fair, justifiable and considered within a whole school context consistent with the short and long term requirements of the School's Development Plan.
- The process of determining remuneration should be open, transparent and fair.

The Governing Body is committed to equality for all staff and will ensure procedures for determining pay comply with the following legislation:

Employment Relations Act 1999

Equality Act 2010

Employment Rights Act 1996

The Part-time Workers (Prevention of Less Favourable Treatment) Regulations 2000

The Fixed-term Employees (Prevention of Less Favourable Treatment) Regulations 2002

The Agency Workers Regulations 2010

The Governing Body will promote equality in all aspects of school life, particularly as regards all decisions on advertising of posts, appointing, promoting and paying staff, training and staff development.

The Governing Body will review every teacher's salary annually with effect from 1 September and issue a written statement no later than 31 October each year or 31 December for Principals' pay following the appropriate appraisal review meeting. The written statement should set out their salary and any other financial benefits as specified in the STPCD. Reviews may take place at other times of the year to reflect any changes in circumstances or job description that lead to a change in the basis for calculating an individual's pay.

The Governing Body will ensure that the process of determining the remuneration for the Principal is fair and transparent. Details in respect of the determination of the Principal's Group, and Indicative Pay Range and any additional payments will be well documented at every stage of determination of pay. All pay decisions will be made using objective criteria and there should be a clear audit trail for all decisions with reasons.

The Governing Body will adopt a three stage process as outlined in a DfE guidance

The three stage process will apply when:

- a. setting the pay for a new headship appointment
- b. there are significant changes to responsibilities
- c. it becomes necessary to review the pay of all leadership posts in order to maintain consistency with pay arrangements for either new appointments to leadership or for a member of the leadership group whose responsibilities significantly changed

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

5.2 Pay on appointment

- The pay committee will review the school's Principal group and the Principal's pay range in accordance with paragraphs 4,5,6 and 8 of the STPCD (ordinary school), or paragraphs 4, 5, 7 and 8 of STPCD (special schools).
- If the Principal takes on permanent accountability for one or more additional schools, the pay committee will set a pay range in accordance with the provisions of paragraph 6.6 or 7.9, respectively. For new appointments the pay committee will determine a pay range, taking account of the full role of the Principal, all permanent responsibilities of the role, any challenges that are specific to the role and all other relevant considerations (paragraph 9.3 of STPCD 2016), including recruitment issues. The pay committee will take into account the factors outlined in appendix C when determining an appropriate pay range. It will also take account of any other considerations it feels are relevant and minute carefully its decisions and reasons for those decisions.
- The pay committee will consider using its discretion, in exceptional circumstances only, to exceed the 25 per cent limit beyond the maximum of the group range when setting the pay range for the head teacher, as set out in paragraph 9.3 of the STPCD 2016. However, before doing so, it will make a fully documented business case and seek external independent advice.

The total sum of the temporary payments made to a head will not exceed 25 per cent of the annual salary which is otherwise payable to the head; and the total sum of salary and other payments made to a head must not exceed 25 per cent above the maximum of the Principal group, except in wholly exceptional circumstances

- The pay committee may determine that temporary and other payments be made to a head which exceeds the limit above in wholly exceptional circumstances and with the agreement of the governing body. The governing body will seek external independent advice before providing agreement

Vice Principals and Assistant Vice Principals

The Governing Body will adopt a three stage process

6.2 Pay on appointment

- The pay committee will determine a pay range, taking account of the full role of the deputy/assistant Principal, all permanent responsibilities of the role, any challenges that are specific to the role and all other relevant considerations (paragraph 9.4 of the STPCD), including recruitment issues. The pay committee will take into account the factors outlined in Appendix C when determining an appropriate pay range. It will also take account of any other considerations it feels are relevant and minute carefully its decisions and reasons for those decisions
- The pay committee will use reference points within the pay range
- At the appointment stage, candidate specific factors will be taken into account when determining the starting salary. If necessary, the governing body will adjust the pay range to ensure appropriate scope of up to six reference points, for performance related pay progression.
- The pay committee will exercise its discretion under paragraph 27 of the STPCD 2016 where there are recruitment issues, provided it has not already taken such issues into account when setting the pay range
- The pay committee will consider whether the award of any additional payments are relevant, as set out in paragraph 26 of the STPCD document and in section 3 guidance paragraphs 60 to 69 of STPCD 2016

Serving Vice Principal and Assistant Vice Principal

- The pay committee will review and, if necessary, re-determine the deputy/assistant Principal pay range where there has been a significant change in the responsibilities of the serving deputy/assistant Principal (paragraph 9

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of section 3 guidance), or to maintain consistency with pay arrangements for either new appointments to the leadership group or to maintain pay arrangements for a member(s) of the leadership group whose responsibilities significantly change.

- When determining the pay range of a serving deputy/assistant Principal, the pay committee will take account of all permanent responsibilities of the role, any challenges that are specific to the role and all other relevant considerations (paragraph 9 of STPCD 2016), including recruitment/retention issues. The pay committee will take into account the factors outlined in appendix C when determining an appropriate pay range. It will also take account of any other considerations it feels are relevant and minute carefully its decisions and reasons for those decisions.
- The pay committee will ensure the maintenance of appropriate differentials between different posts in its staffing structure
- The pay committee will exercise its discretion under paragraph 27 of the STPCD where there are recruitment issues, provided it has not already taken such issues into account when setting the pay range
- The pay committee will consider whether the award of any additional payments are relevant, as set out in paragraph 26 of the STPCD and section 3 guidance, paragraphs 60 to 69 of the STPCD 2016
- The pay committee will use reference points within the pay range and will leave at least 6 reference points for performance-related pay progression
- The pay committee will review pay in accordance with paragraphs 11.1 and 11.2 of STPCD 2016 and award up to two reference points where there has been sustained high quality of performance having regard to the results of the recent appraisal, and to any recommendation on pay progression recorded in the deputy/assistant head's most recent appraisal report.

Related Parties and other Connected Charities and Organisations

Currently there is a soft Sixth Form federation between ourselves and Moreton High School whereby we have shared responsibility for Sixth Form courses. No charging is involved in this.

Objectives and Activities

Objects and Aims

The Senior Leadership team, governors and middle leaders of Aldersley High School show an uncompromising and highly successful drive to improve achievement for all students over a sustained period of time. It is the founding Academy of the Multi Academy Trust: Aldersley Academies Trust.

The Academy has progressed significantly over the last three years, having achieved its earlier aims. Now it is able to focus on a new vision which is based on achieving 'outstanding' status articulated through 8 main areas:

- Exceptional academic progress for all students including those of their Wolverhampton primary feeder schools.
- Transition activity, the development of a learning continuum from early childhood to higher education, through carefully constructed individual learning plans.
- Excellent attendance because of exciting lessons and relevant curriculum.
- A first choice school.
- Students leave with the knowledge and skills to fully participate in society through appropriate partnerships with providers from the primary, secondary and higher education sectors which will meet the social and economic requirements and ambitions of individuals and employers.
- Excellent relationships with the wider community.
- The best staff want to work there and are enabled to become future leaders.
- Broad range of enrichment activities.

The Academy is developing its' capacity to support other schools through building strength at all levels of leadership and in some areas, providing additional staffing to create flexibility. The Academy is now in a

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strengthened position to use its Multi Academy Trust status to support other schools. The Principal is a Local Leader of Education and has supported a number of primary and secondary schools.

The Academy will continue to develop a culture of continued professional development where all staff are valued and are able to develop their career. One of the most powerful ways of achieving improvement is through collaboration. To enable us to achieve our vision we would contribute to the raising of educational standards and achievement generally across Wolverhampton through the mutual sharing of knowledge, expertise and resources.

Objectives, Strategies and Activities

The Amethyst Academies Trust vision is simple:

Children come first and everything we do must reflect this single purpose.

The Amethyst Academies Trust strives to ensure the best outcomes for children in all schools. By working together to create a network in which outstanding practice is shared and staff are given access to world class professional development, we aim to ensure that every child receives the best education.

The Amethyst Academies Trust has the vision that every school is welcome into the group; be that secondary, primary, outstanding schools or schools in challenging circumstances. We are an inclusive and geographical close alliance who will support any school in becoming the very best.

Offering world class leadership, professional development and training in order to improve the life chances for young people.

Our aim is that all schools within our trust are ultimately self-reflecting so that all students are able to:

Be rounded, employable individuals that are:

1. Literate and numerate
2. Future leaders
3. Well prepared for future employment
4. Creative problem solvers equipped with skills for life

Be inspired through a passion for learning:

5. Ensure that within the confines of the curriculum we deliver a dynamic curriculum that inspires a passion for future learning
6. Have inspirational self-reflective and self-improving teachers and support staff

Be challenged:

7. All students to complete challenges from the "Steps to Success" programme so that they are responsible world citizens
8. Be independent, reflective, resilient and responsible for their own actions
9. Be healthy and safe; physically and emotionally

Achieve their goals:

10. Life chances are increased
11. Realising their full academic potential
12. Intervention is fast paced, timely and relevant.

The Trust has submitted a sponsor application to the DFE that will be heard during October 2016.

Public Benefit

The trustees can confirm that the academy trust's trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission [on their website at Charities and Public Benefit] in exercising their powers or duties. A definition of public benefit entities is included in the glossary to the [SORP (item GL 49)].

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

Strategic Report

Achievements and Performance

All school examination results at this stage are provisional and based upon the 2016 KS4 Performance Tables Checking Site (26/09/2016). School results are validated in late October 2016 when the Department for Education publishes the 2016 national data.

Progress 8

Progress 8 aims to capture the progress a pupil makes from the end of Key Stage 2 (primary school) to the end of Key Stage 4 (secondary school). It is a type of value added measure, which means that pupils' Attainment 8 results are compared to the actual achievements of other pupils with the same prior attainment. An overall school Progress 8 score of 0 means that all the pupils in the Year group, on average, have made expected progress. If the Year group has made more progress, then the Progress 8 score will be greater than 0. Last year (2014/2015) our Progress 8 score was +0.37 which meant that pupils made significant progress. 2015-2016 has seen a significant rise to positive 0.44 which is significantly above national average. Our attainment last year was 50% achieving GCSE English and mathematics at A*-C and again this has increased significantly to 62% A*-C putting us above the national average.

Sixth Form results also improved with Technical subjects averaging at a Distinction * and Academic A levels averaging at a C grade. Our target for year 11 students entering our Sixth form was achieved – 60% of Year 11. Attendance was above national average and our highest to date 96%. Marketing and publicity of the Academy has been positive and we have exceeded our target for new Year 7's entering the Academy with 160 pupils.

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.

Financial Review

Within the year there has been an unforeseen exceptional deficit due to the indices of deprivation changing without consultation or pre warning. This resulted in the school having to make staff redundant which resulted in redundancy costs that had not been budgeted for. Following a major staff restructure the deficit will be recuperated within two years. The finance and general purposes committee is a sub-committee of the main board of trustees. It has overall authority for all financial matter relating to the charitable trust and for ensuring that the academy conforms to the requirements of the DFE, charity commission and other regulatory bodies. The Committee aims to meet once per half term but more frequent meetings can be arranged where necessary. The main responsibilities of the F and GP are detailed in the committee's term of reference which have been approved and adopted by Amethyst Academy Trust Board. This committee ensures that the expenditure is used appropriately to support the School Development Plan.

Reserves Policy

Where reserves are held, it is a requirement of the charity accounting regulations that charity trustees must state their reserves policy in their annual report. Further details may be found in the Statement of Recommended Practice, commonly referred to as the Charity SORP. Academy schools, as exempt charities, must comply with these regulations. Guidance on reserve policies and their reporting requirements is contained in the Education Funding Agency's (EFAs) annual Academies Accounts Direction. The governors review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The governors will always try to match income with expenditure in the current year (set and manage a balanced budget), will only carry forward reserves that it considers necessary and will have a clear plan for how it will be used to benefit the pupils. The governors have determined that the appropriate level of free reserves should be equivalent to one month's payroll cost, approximately £530,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grant income and to provide a cushion to deal with unexpected emergencies such as

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

urgent maintenance or long term sickness where unforeseen costs are incurred. The Academy will monitor the level of reserves to ensure that they are maintained at the required level. In the event that they are partly used the Academy will strive to rebuild free reserves up to the level needed.

Investment Policy

Where funds allow as and when interest rates improve significantly then the Trust will invest funds on a short term basis to be reviewed every 30 days of investment. No funds were invested during the last financial year. The Directors have several legal responsibilities when making financial investments. They must:

- Know and act within their powers to invest.
- Exercise care and skill when making investment decisions. Select investments that are right for the school. This means taking account of suitability of the investment in relation to the school's needs and the need to manage risk and consider suitable diversification.
- Take advice from someone experienced in investment matters.
- Follow certain legal requirements if they are going to use someone to invest on their behalf.
- Review investments periodically.
- Explain their investment policy in their annual report.

Principal Risks and Uncertainties

The Governors have assessed the major risks to which the Academy is exposed, in particular those related to the operations and finances of the Academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The Academy has a risk register that is reviewed annually by the Governing Body through the Finance and General Purposes Committee. The register records the risks that have been identified and the control measures it has implemented. The statement of internal control is considered annually. The Current and future risks relate to finances with increasing pension and National Insurance costs but decreasing funding. However the Academy Trust is confident that income will increase due to an increase in primary school numbers over the next 6 years. Reputational risk is also identified on the register as we are fully aware that if either we or a sponsored school do not continue to improve then our reputation in the community and as a sponsor will be damaged. We minimise this risk with a whole raft of quality assurance procedures. As a new MAT, our risk register also sets out that we must not expand too quickly until we have developed sufficient leadership capacity to manage the challenge.

Plans for Future Periods

Amethyst Academy Trust strives to continually improve levels of attainment for all students, equipping them with qualifications, skills and character to follow their chosen pathway, whether it be into further or higher education or employment through an apprenticeship.

The curriculum, the quality of teaching and learning and informed interventions are consistently reviewed to help every child achieve their potential.

The Trust believes that developing the whole child is critical to improving levels of attainment and in developing broader skills and character that will develop students' commitment to lifelong learning and enrich their quality of life.

The Trustees are seeking approval to become a recognised sponsor so that the Academy can sponsor other schools within the locality.

In addition Amethyst Academy Trust is working with Wolverhampton City Council to find a solution to the increased demand for school places within the City. An all through provision on the site of Aldersley High School is the preferred solution for the Trust but these discussions are in their early stages.

The Trust seeks to achieve the highest academic standards for all of its pupils and as such has set out a detailed Trust Improvement Plan.

Priorities being:

- To achieve sponsorship status
- To bring one secondary school into the trust within the next 12 months
- Students will make rapid and sustained progress at least in line with national averages
- Teaching will be at least good in all lessons leading to progress at least in line with national averages
- Parents, carers, staff and students will be highly positive about behaviour and safety. Students will make an exceptional contribution to a safe and positive learning environment

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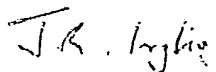
- All leaders will be highly ambitious for the Academy and demonstrate an uncompromising and relentless drive for excellence and continual improvement in achievement

Auditor

Insofar 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.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 8th December 2016 and signed on the board's behalf by:



.....
Mr J Inglis
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Amethyst Academy Trust (formerly Aldersley Academies 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 Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Amethyst Academy Trust (formerly Aldersley Academies 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 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr K Ireland	3	4
Mr J Inglis, Chair of Trustees	4	4
Mr B Stephenson, Vice Chair	4	4
Mrs K Austin, Parent Trustee	4	4
Mrs N Davis, Head Teacher	4	4
Miss G Beddow	1	4
Mr L Keise, Parent Trustee	2	4
Mrs L Lilley, Staff Trustee	4	4
Mrs C Bayley	4	4
Mrs K Sra	0	0
Mr D Williams	0	0
Mr P Wilde	0	0
Mr M Marks	3	3
Mrs C Thomas	0	0
Mr P Hudson	2	3
Mr P Hill	0	0
Mrs S Reid	0	0

This year we have addressed the key challenges that we foresee facing the board of trustees in so much as once the Trust sponsors an additional school there will need to be a segregation between the Trustees and the two local governing bodies. We therefore have spent the year reviewing the makeup of the board and ensuring that we have the correct expertise. A review of governance was carried out in September with governors reflecting on their capabilities and answering evaluative questions. The Trust believed through their evaluation that the Board was too heavily weighted in terms of education as opposed to business.

Governance reviews:

The DFE, through advising on the sponsorship application, have worked throughout the year with the Principal to ensure that the governance model is fit for purpose for a MAT.

David Williams, as an experienced CEO of an engineering firm, has particular expertise in risk management and growing a company. Christine Thomas was asked to join the Trustees as she has years of industry experience with HR. Phil Hill has up-to-date experience as an accountant and Paul Wilde again has a wide range of financial capabilities.

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GOVERNANCE STATEMENT (continued)

The new Trustees will not meet until October 2016 and so it is too early to comment on their impact, however the DFE advisor feels that we have the correct composition of expertise. The Trust has an SLA with an external provider on governance and a further review will take place in the Autumn term of 2016.

The finance and general purposes committee is a sub-committee of the main board of trustees. It has overall authority for all financial matter relating to the charitable trust and for ensuring that the academy conforms to the requirements of the DFE, charity commission and other regulatory bodies. The Committee aims to meet once per half term but more frequent meetings can be arranged where necessary. The main responsibilities of the F and GP are detailed in the committee's term of reference which have been approved and adopted by Aldersley Academies Trust Board. The main particular issue that it has dealt with this year is the restructure and the year deficit together with internal and external audit findings and subsequent action.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Karen Austin	3	9
Nicola Davies	9	9
Caroline Bayley	9	9
Jim Inglis	9	9

REVIEW OF VALUE FOR MONEY

As accounting officer, the Principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- A major restructure review of staffing against the needs of the curriculum. This has resulted in substantial in year savings whilst not compromising upon the curriculum.
- An application to the DFE to become a recognised sponsor that would result in working with a local secondary school. Work has already started in this area which would allow alignment with staffing thus reducing costs to both school and joint purchasing power.
- A review of all lettings and the viability and cost effectiveness of every aspect of the lettings resulting in increased costs to customers and a reduction in facilities.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's

AMETHYST ACADEMY TRUST (FORMERLY ALDERSLEY ACADEMIES TRUST)

(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the 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 Katie Morgan as internal auditor.

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

- Governance
- Payroll
- Purchasing
- Income
- Budget planning and control
- Banking
- Assets

Compliance with the Academies Financial Handbook (September 2015), statutory requirements, DfE guidance and the school's internal procedures was also tested.

Overall conclusion

The review has identified that routine administration and financial processes operated at the school are of a good standard and provide robust controls. Recommendations have been suggested in order to enhance governance arrangements, payroll checks, income collection and reconciliation procedures and budget preparation. Based on the testing undertaken, it is concluded that a level of **good** assurance can be provided to the Board / Governing Body.

On a termly basis, the internal auditor reports to the board of trustees, through the finance and general purposes committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned.

REVIEW OF EFFECTIVENESS

As accounting officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

AMETHYST ACADEMY TRUST (FORMERLY ALDERSLEY ACADEMIES TRUST)

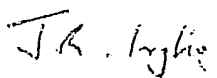
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GOVERNANCE STATEMENT (continued)

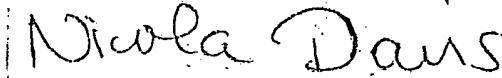
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 8 December 2016 and signed on its behalf, by:



Mr J Inglis
Chair of Trustees



Mrs N Davis
Accounting Officer

AMETHYST ACADEMY TRUST (FORMERLY ALDERSLEY ACADEMIES TRUST)

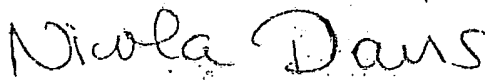
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Mrs N Davis
Accounting Officer

Date: 8th December 2016

AMETHYST ACADEMY TRUST (FORMERLY ALDERSLEY ACADEMIES TRUST)

(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as governors of Amethyst Academy Trust (formerly Aldersley Academies 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 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:

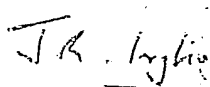
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 8 December 2016 and signed on its behalf by:



.....
Mr J Inglis
Chair of Trustees

AMETHYST ACADEMY TRUST (FORMERLY ALDERSLEY ACADEMIES TRUST)
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF AMETHYST ACADEMY TRUST (FORMERLY ALDERSLEY ACADEMIES TRUST)

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the trustees as a body. Our audit work has been undertaken so that we might state to the 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 the members as a body for our audit work, for this report, or for the opinions we have formed.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

AMETHYST ACADEMY TRUST (FORMERLY ALDERSLEY ACADEMIES TRUST)

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF AMETHYST ACADEMY TRUST (FORMERLY ALDERSLEY ACADEMIES TRUST)

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Ian Holder

for and on behalf of

Mazars LLP

Chartered Accountants
Statutory Auditor

45 Church Street
Birmingham

B3 2RT

Date: 15 December 2016

AMETHYST ACADEMY TRUST (FORMERLY ALDERSLEY ACADEMIES TRUST)
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AMETHYST ACADEMY TRUST (FORMALLY ALDERSLEY ACADEMIES TRUST) AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 28th September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, I have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Amethyst Academy Trust's (formally Aldersley Academies Trust's) during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF AMETHYST ACADEMY TRUST'S (FORMALLY ALDERSLEY ACADEMIES TRUST'S)'S ACCOUNTING OFFICER AND THE REPORTING AUDITOR

The accounting officer is responsible, under the requirements of Amethyst Academy Trust's (formally Aldersley Academies Trust's)'s funding agreement with the Secretary of State for Education dated 21 December 2012, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide me 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 me to obtain assurance that I would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, I do not express a positive opinion.

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

A summary of the work we have undertaken is as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out sample testing on controls;
- Carried out substantive testing including analytical review; and

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
TO AMETHYST ACADEMY TRUST (FORMALLY ALDERSLEY ACADEMIES TRUST) AND
THE EDUCATION FUNDING AGENCY (continued)**

- Concluded on procedures carried out.

CONCLUSION

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

Mazars LLP

Mazars LLP

Chartered Accountants
Statutory Auditor

45 Church Street
Birmingham
B3 2RT

Date: *15 December 2016*

AMETHYST ACADEMY TRUST (FORMERLY ALDERSLEY ACADEMIES TRUST)

(A company limited by guarantee)

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

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Other trading activities	3	51,550	-	-	51,550	56,028
Investments	4	805	-	-	805	778
Charitable activities	2	78,911	5,619,546	18,057	5,716,514	5,899,155
TOTAL INCOME		131,266	5,619,546	18,057	5,768,869	5,955,961
EXPENDITURE ON:						
Raising funds	3	52,907	-	-	52,907	53,973
Charitable activities		80,268	5,819,830	295,435	6,195,533	6,199,106
TOTAL EXPENDITURE	7	133,175	5,819,830	295,435	6,248,440	6,253,079
NET EXPENDITURE BEFORE TRANSFERS		(1,909)	(200,284)	(277,378)	(479,571)	(297,118)
Transfers between Funds	16	-	(12,160)	12,160	-	-
NET EXPENDITURE BEFORE OTHER GAINS AND LOSSES		(1,909)	(212,444)	(265,218)	(479,571)	(297,118)
Actuarial losses on defined benefit pension schemes	20	-	(977,000)	-	(977,000)	(128,000)
NET MOVEMENT IN FUNDS		(1,909)	(1,189,444)	(265,218)	(1,456,571)	(425,118)
RECONCILIATION OF FUNDS:						
Total funds brought forward		226,336	(1,059,038)	4,643,833	3,811,131	4,236,249
TOTAL FUNDS CARRIED FORWARD		224,427	(2,248,482)	4,378,615	2,354,560	3,811,131

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 24 to 43 form part of these financial statements.

AMETHYST ACADEMY TRUST (FORMERLY ALDERSLEY ACADEMIES TRUST)

Registered number: 08310900

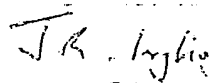
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BALANCE SHEET

AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Intangible assets	12		17,435		21,943
Tangible assets	13		4,361,180		4,621,891
			<u>4,378,615</u>		<u>4,643,834</u>
CURRENT ASSETS					
Debtors	14	268,431		277,443	
Cash at bank and in hand		436,321		601,246	
		<u>704,752</u>		<u>878,689</u>	
CREDITORS: amounts falling due within one year	15	(360,807)		(353,392)	
NET CURRENT ASSETS			343,945		525,297
TOTAL ASSETS LESS CURRENT LIABILITIES			4,722,560		5,169,131
Defined benefit pension scheme liability	20		(2,368,000)		(1,358,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>2,354,560</u>		<u>3,811,131</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	16	119,518		298,962	
Restricted fixed asset funds	16	4,378,615		4,643,833	
		<u>4,498,133</u>		<u>4,942,795</u>	
Restricted funds excluding pension liability					
Pension reserve		(2,368,000)		(1,358,000)	
		<u></u>		<u></u>	
Total restricted funds			2,130,133		3,584,795
Unrestricted funds	16		224,427		226,336
			<u>2,354,560</u>		<u>3,811,131</u>
TOTAL FUNDS			<u>2,354,560</u>		<u>3,811,131</u>

The financial statements were approved by the Trustees, and authorised for issue, on 8 December 2016 and are signed on their behalf, by:



Mr J Inglis
Chair of Trustees

The notes on pages 24 to 44 form part of these financial statements.

AMETHYST ACADEMY TRUST (FORMERLY ALDERSLEY ACADEMIES TRUST)

(A company limited by guarantee)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	(135,511)	31,422
Cash flows from investing activities:			
Investment income		805	778
Purchase of property, plant and equipment		(23,004)	(5,738)
Purchase of intangible fixed assets		(7,215)	-
Net cash used in investing activities		(29,414)	(4,960)
Change in cash and cash equivalents in the year	19	(164,925)	26,462
Cash and cash equivalents brought forward		601,246	574,784
Cash and cash equivalents carried forward	19	436,321	601,246

AMETHYST ACADEMY TRUST (FORMERLY ALDERSLEY ACADEMIES TRUST)

(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Amethyst Academy Trust (formerly Aldersley Academies Trust) constitutes a public benefit entity as defined by FRS 102.

1.2 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Income

All income is included in the Statement of financial activities incorporating income and expenditure account when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where there is certainty of receipt and it is measurable.

AMETHYST ACADEMY TRUST (FORMERLY ALDERSLEY ACADEMIES TRUST)

(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities incorporating income and expenditure account, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's policies.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.4 Expenditure

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Expenditure on raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the academy's educational operations.

All expenditure is inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Turnover

Turnover comprises revenue recognised by the academy in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

AMETHYST ACADEMY TRUST (FORMERLY ALDERSLEY ACADEMIES TRUST)
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.7 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment

Amortisation is provided at the following rates:

Computer Software	- 25% straight line
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1.8 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Freehold property	- 2% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 25% straight line
Office equipment	- 25% straight line

1.9 Interest receivable

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

1.10 Debtors

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

1.11 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.

AMETHYST ACADEMY TRUST (FORMERLY ALDERSLEY ACADEMIES TRUST)

(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.12 Liabilities and provisions

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

1.13 Financial instruments

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised costs using the effective interest method.

1.14 Taxation

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

1.15 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 20, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

AMETHYST ACADEMY TRUST (FORMERLY ALDERSLEY ACADEMIES TRUST)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities incorporating income and expenditure account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.16 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

Management has not made any significant judgements in the process of applying the accounting policies.

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

2. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Educational Operations	78,911	5,637,603	5,716,514	5,899,155

In 2015, of the total income from charitable activities, £59,034 related to unrestricted funds and £5,840,121 related to restricted funds.

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA revenue grants				
General Annual Grant	-	4,968,992	4,968,992	5,076,118
Capital grants	-	18,057	18,057	17,815
Other DfE/EFA grants	-	337,987	337,987	400,080
Local authority grants	-	63,922	63,922	53,537
Other income from the academy trust	78,911	248,645	327,556	351,605
	<u>78,911</u>	<u>5,637,603</u>	<u>5,716,514</u>	<u>5,899,155</u>

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

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Charity trading income				
Hire of facilities	51,550	-	51,550	56,028
Fundraising trading expenses				
Premises costs	27,677	-	27,677	28,836
Other costs	941	-	941	660
Wages and salaries	2,484	-	2,484	2,050
National insurance	19,208	-	19,208	17,412
Pensions	2,597	-	2,597	5,015
	52,907	-	52,907	53,973
Net (expenditure)/income from other trading activities	(1,357)	-	(1,357)	2,055

In 2015, of the total income from trading activities, £56,028 related to unrestricted funds and £nil related to restricted funds.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Short term deposits	805	-	805	778

In 2015, of the total investment income, £ 778 related to unrestricted funds and £ NIL related to restricted funds.

5. DIRECT COSTS

	Educational Operations £	Total 2016 £	Total 2015 £
Other direct costs	546,308	546,308	649,752
Amortisation	8,432	8,432	7,899
Wages and salaries	3,401,201	3,401,201	3,262,380
National insurance	261,932	261,932	254,605
Pension cost	525,138	525,138	461,363
Depreciation	206,548	206,548	205,011
	4,949,559	4,949,559	4,841,010

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

5. DIRECT COSTS (continued)

In 2015, of the total direct costs relating to educational operations, £nil related to unrestricted funds and £4,841,010 related to restricted funds.

6. SUPPORT COSTS

	Educational Operations £	Total 2016 £	Total 2015 £
Pension income	50,000	50,000	47,000
Technology costs	12,787	12,787	11,906
Premises costs	330,335	330,335	346,035
Other support costs	225,044	225,044	280,102
Amortisation	3,292	3,292	3,073
Wages and salaries	492,011	492,011	487,056
National insurance	26,729	26,729	25,937
Pension cost	28,613	28,613	82,995
Depreciation	77,163	77,163	73,992
	<u>1,245,974</u>	<u>1,245,974</u>	<u>1,358,096</u>

In 2015, of the total support costs relating to educational operations, £90,207 related to unrestricted funds and £1,267,889 related to restricted funds.

7. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Fundraising expenses	31,102	19,208	2,597	52,907	53,973
Raising funds	<u>31,102</u>	<u>19,208</u>	<u>2,597</u>	<u>52,907</u>	<u>53,973</u>
Direct costs - Educational Operations	4,188,271	214,980	546,308	4,949,559	4,841,010
Support costs - Educational Operations	597,353	410,790	237,831	1,245,974	1,336,096
Charitable activities	<u>4,785,624</u>	<u>625,770</u>	<u>784,139</u>	<u>6,195,533</u>	<u>6,177,106</u>
	<u>4,816,726</u>	<u>644,978</u>	<u>786,736</u>	<u>6,248,440</u>	<u>6,231,079</u>

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

8. NET EXPENDITURE

This is stated after charging	2016 £	2015 £
Amortisation of intangible fixed assets	11,723	10,972
Depreciation of tangible fixed assets:		
- owned by the academy	283,715	289,974
Auditor's remuneration	9,500	19,000
Auditor's remuneration - non-audit	2,400	9,205
Governance Internal audit costs	-	-
Operating lease rentals:		
- other operating leases	14,931	16,900
Total	<u>322,269</u>	<u>346,051</u>

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

9. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	3,724,743	3,736,488
Social security costs	289,602	281,202
Other pension costs (Note 20)	556,235	546,407
	<u>4,570,580</u>	<u>4,564,097</u>
Supply teacher costs	16,452	41,784
Staff restructuring costs	179,694	-
Pension finance costs	50,000	47,000
	<u>4,816,726</u>	<u>4,652,881</u>

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

	2016 No.	2015 No.
Teachers - full time	65	56
Administration and support	70	73
Management team	8	10
	<u>143</u>	<u>139</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	1	1
In the band £100,001 - £110,000	1	0
In the band £110,001 - £120,000	0	1

All of the restructuring costs comprise contractual termination payments

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £620,947 (2015: £738,401).

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

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 Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2016 £	2015 £
Mrs N Davis, Head Teacher	Remuneration	100,000-105,000	110,000-115,000
	Pension contributions paid	15,000-20,000	15,000-20,000
Mrs L Lilley	Remuneration	45,000-50,000	35,000-40,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Mrs C Bayley	Remuneration	25,000-30,000	25,000-30,000
	Pension contributions paid	0-5,000	0-5,000

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 (2015: £5,000,000) on any one claim and the cost for the year ended 31 August 2016 was £1,268 (2015 - £1,192).

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

12. INTANGIBLE FIXED ASSETS

	Software £
Cost	
At 1 September 2015	43,887
Additions	7,215
At 31 August 2016	51,102
Amortisation	
At 1 September 2015	21,944
Charge for the year	11,723
At 31 August 2016	33,667
Carrying amount	
At 31 August 2016	17,435
At 31 August 2015	21,943

13. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 September 2015	4,419,424	16,289	66,659	729,613	5,231,985
Additions	-	-	17,994	5,010	23,004
Transfers	-	-	(2,563)	2,563	-
At 31 August 2016	4,419,424	16,289	82,090	737,186	5,254,989
Depreciation					
At 1 September 2015	204,618	8,656	34,219	362,601	610,094
Charge for the year	76,811	4,073	19,265	183,566	283,715
Transfers	-	-	(937)	937	-
At 31 August 2016	281,429	12,729	52,547	547,104	893,809
Net book value					
At 31 August 2016	4,137,995	3,560	29,543	190,082	4,361,180
At 31 August 2015	4,214,806	7,633	32,440	367,012	4,621,891

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

14. DEBTORS

	2016 £	2015 £
Other debtors	22,904	9,433
Prepayments and accrued income	245,527	268,010
	<u>268,431</u>	<u>277,443</u>

15. CREDITORS:

Amounts falling due within one year

	2016 £	2015 £
Trade creditors	146,958	132,411
Other taxation and social security	88,856	83,027
Other creditors	11,865	16,504
Accruals and deferred income	113,128	121,450
	<u>360,807</u>	<u>353,392</u>

	£
Deferred income	
Deferred income at 1 September 2015	20,133
Resources deferred during the year	20,895
Amounts released from previous years	(20,133)
	<u>20,895</u>
Deferred income at 31 August 2016	<u>20,895</u>

16. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	<u>226,336</u>	<u>131,266</u>	<u>(133,175)</u>	<u>-</u>	<u>-</u>	<u>224,427</u>

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

16. STATEMENT OF FUNDS (continued)

Restricted funds

Other EFA and DfE grants	286,962	5,631,546	(5,786,830)	(12,160)	-	119,518
Grant from STEM project	12,000	(12,000)	-	-	-	-
Pension reserve	(1,358,000)	-	(33,000)	-	(977,000)	(2,368,000)
	<u>(1,059,038)</u>	<u>5,619,546</u>	<u>(5,819,830)</u>	<u>(12,160)</u>	<u>(977,000)</u>	<u>(2,248,482)</u>

Restricted fixed asset funds

DfE/EFA capital grants	-	18,057	(112,596)	94,539	-	-
Capital donations	4,643,833	-	(182,839)	(82,379)	-	4,378,615
	<u>4,643,833</u>	<u>18,057</u>	<u>(295,435)</u>	<u>12,160</u>	<u>-</u>	<u>4,378,615</u>
Total restricted funds	<u>3,584,795</u>	<u>5,637,603</u>	<u>(6,115,265)</u>	<u>-</u>	<u>(977,000)</u>	<u>2,130,133</u>
Total of funds	<u><u>3,811,131</u></u>	<u><u>5,768,869</u></u>	<u><u>(6,248,440)</u></u>	<u><u>-</u></u>	<u><u>(977,000)</u></u>	<u><u>2,354,560</u></u>

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

- 1) General Annual Grant: this must be used for the normal running costs of the Academy Trust.
- 2) Other EFA and DfE Grants: this fund relates to other grants received which must be used for the purpose intended.
- 3) Other Restricted Funds: this fund relates to all other restricted funds received which must be used for the purpose intended.
- 4) Restricted Fixed Asset Funds: this fund relates to resources which must be applied for specific capital purposes intended.

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

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

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Intangible fixed assets	-	-	17,435	17,435	21,943
Tangible fixed assets	2	-	4,361,180	4,361,182	4,621,891
Current assets	224,595	480,156	-	704,751	878,689
Creditors due within one year	(170)	(360,638)	-	(360,808)	(353,392)
Provisions for liabilities and charges	-	(2,368,000)	-	(2,368,000)	(1,358,000)
	<u>224,427</u>	<u>(2,248,482)</u>	<u>4,378,615</u>	<u>2,354,560</u>	<u>3,811,131</u>

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

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(479,571)	(297,118)
Adjustment for:		
Depreciation charges	283,715	279,002
Investment income	(805)	(778)
Decrease in debtors	9,012	54,881
Increase/(decrease) in creditors	7,415	(95,537)
Defined benefit pension scheme cost less contributions payable	(18,000)	33,000
Defined benefit pension scheme finance cost	50,000	47,000
Defined benefit pension scheme administration costs	1,000	-
Amortisation on intangible fixed assets	11,723	10,972
Net cash (used in)/provided by operating activities	<u>(135,511)</u>	<u>31,422</u>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	436,321	601,246
Total	<u>436,321</u>	<u>601,246</u>

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

20. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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

20. PENSION COMMITMENTS (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 102) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £268,000, of which employer's contributions totalled £212,000 and employees' contributions totalled £56,000. The agreed contribution rates for future years are 13.8% for employers and 5.5% - 6.8% 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.

The amounts recognised in the Balance sheet are as follows:

	2016 £	2015 £
Present value of funded obligations	(4,221,000)	(2,723,000)
Fair value of scheme assets	1,853,000	1,365,000
	<hr/>	<hr/>
Net liability	(2,368,000)	(1,358,000)
	<hr/>	<hr/>

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

	2016 £	2015 £
Current service cost	(194,000)	(197,000)
Interest on obligation	(109,000)	(95,000)
Interest on assets	59,000	48,000
Administration expenses	(1,000)	-
	<hr/>	<hr/>
Total	(245,000)	(244,000)
	<hr/>	<hr/>

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

20. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	2,723,000	2,235,000
Current service cost	194,000	197,000
Interest cost	109,000	95,000
Contributions by scheme participants	56,000	61,000
Change in financial assumptions	1,201,000	135,000
Benefits paid	(62,000)	-
	<hr/>	<hr/>
Closing defined benefit obligation	4,221,000	2,723,000
	<hr/>	<hr/>

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

	2016 £	2015 £
Opening fair value of scheme assets	1,365,000	1,085,000
Interest on assets	59,000	48,000
Return on assets less interest	224,000	7,000
Contributions by employer	212,000	164,000
Contributions by employees	56,000	61,000
Benefits paid	(62,000)	-
Administration expenses	(1,000)	-
	<hr/>	<hr/>
	1,853,000	1,365,000
	<hr/>	<hr/>

The cumulative amount of actuarial losses recognised in the Statement of financial activities was £977,000 (2015 - £128,000).

The academy expects to contribute £153,000 to the Local Government Pension Scheme in the 2016/2017 period.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2016	2015
Equities	59.00 %	60.00 %
Government bonds	7.00 %	7.00 %
Other bonds	9.00 %	10.00 %
Property	8.00 %	9.00 %
Cash/liquidity	6.00 %	5.00 %
Other	11.00 %	9.00 %

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

20. PENSION COMMITMENTS (continued)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Rate of increase in salaries	3.75 %	4.15 %
Rate of increase for pensions in payment / inflation	2.00 %	2.40 %

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

	2016	2015
Retiring today		
Males	23.1	23
Females	25.8	25.6
Retiring in 20 years		
Males	25.3	25.2
Females	28.1	28

Amounts for the current period are as follows:

Defined benefit pension schemes

	2016 £
Defined benefit obligation	(4,221,000)
Scheme assets	1,853,000
Deficit	(2,368,000)
Experience adjustments on scheme liabilities	(1,201,000)
Experience adjustments on scheme assets	224,000

21. OPERATING LEASE COMMITMENTS

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

	2016 £	2015 £
Amounts payable:		
Within 1 year	13,334	15,771
Between 1 and 5 years	8,809	22,143
Total	22,143	37,914

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

22. 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.

23. RELATED PARTY TRANSACTIONS

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

One employee of the Academy is related to a Trustee. The employee was paid a salary of £2,496 (2015: One Trustee £20,207). The salaries are set by the Board in accordance with pay scales common to all employees.

The Head Teacher was appointed as Executive Head Teacher of a separate local school during the 2014/15 prior year and other staff of the academy have provided support. Total income during the period was £Nil (2015: £73,452). There is a debtor in these accounts of £Nil (2015: £Nil) in respect of this.

One trustee is associated with Re-Entry (registration no. 03179221, registered address 80 Ellerton Walk, New Park Village, Wolverhampton, WV10 0UH) as an unpaid volunteer. In the year ended 31 August 2016 we paid £12,142.50 (2015: Nil) for Re-Entry services. Re-Entry provides off site education for students who struggle with main stream schools.

AMETHYST ACADEMY TRUST (FORMERLY ALDERSLEY ACADEMIES TRUST)

(A company limited by guarantee)

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

24. FIRST TIME ADOPTION OF FRS 102

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

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	1 September 2014 £	31 August 2015 £
Total funds under previous UK GAAP	4,236,249	3,818,253
Holiday pay accrual	-	(7,122)
Total funds reported under FRS 102	<u>4,236,249</u>	<u>3,811,131</u>

Reconciliation of net (expenditure)	31 August 2015 £
Net (expenditure) previously reported under UK GAAP	(267,996)
Holiday pay accrual	(7,122)
Restatement of local government scheme	(22,000)
Net movement in funds reported under FRS 102	<u>(297,118)</u>