

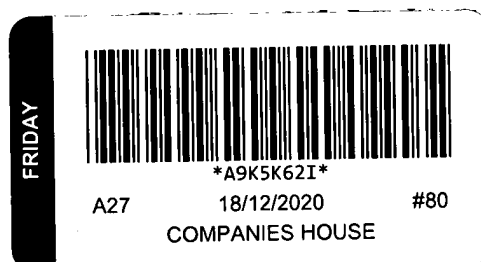
Amethyst Academies Trust

Registered number: 08310900

Trustees report and financial statements

For the year ended 31 August 2020

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AMETHYST ACADEMIES TRUST

(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 - 10
Governance statement	11 - 13
Statement on regularity, propriety and compliance	14
Statement of Trustees' responsibilities	15
Independent auditor's report on the financial statements	16 - 18
Independent reporting accountant's assurance report on regularity	19 - 20
Statement of financial activities incorporating income and expenditure account	21
Balance sheet	22
Statement of cash flows	23
Notes to the financial statements	24 - 44

AMETHYST ACADEMIES TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2020

Members

J Inglis (Chair)
K Austin (Parent Governor)
B Stephenson (Vice Chair)
M Marks
S Moran

Trustees

Mr J Inglis, Chair of Trustees
Mrs N Davis, Principal and Accounting Officer
Mr M Marks
Mrs S Reid
Mrs H Bourton
Mr B Stephenson, Vice Chair
Mrs C Thomas (resigned 24 October 2019)
Mrs T Beazley (appointed 24 October 2019)
Mr R Grant (appointed 4 July 2019)

Company registered number

08310900

Company name

Amethyst Academies Trust

Principal and registered office

Barnhurst Lane, Codsall, Wolverhampton, WV8 1RT

Clerk to the Governing Body

Mrs L A Jones (appointed 24 October 2019)

Company Name

Amethyst Academy Trust

Independent auditor

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

Bankers

Lloyds Bank Plc, Wolverhampton, WV1 1RF

Solicitors

Eversheds, 115 Colmore Row, Birmingham, B3 3AL

AMETHYST ACADEMIES TRUST

(A company limited by guarantee)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2019 to 31 August 2020. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust operates 2 academies for pupils aged 11 to 18 serving a catchment area in Wolverhampton and operate a joint Sixth Form Centre. It has a pupil capacity of 2500 and has is working at full virtually at full capacity as at school census on October 1st 2020.

Structure, governance and management

a. CONSTITUTION

The academies 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 academies trust. The trustees of Amethyst Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Amethyst Academies Trust.

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

b. 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.

c. TRUSTEES' INDEMNITIES

Indemnity Insurance to cover the liability of the Trustees for £50,000,000 has been purchased by the Trust. The cost of such insurance is bundled as part of the overall school insurance, which is included within the total overall insurance cost of £42,694 (2019: £40,765).

d. 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.

e. 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.

f. ORGANISATIONAL STRUCTURE

The Executive Principal is the accounting officer as we are presently operating as two secondary schools and a joint Sixth Form. The strategic direction of the trust is reserved for the board of trustees. The running of Aldersley High School and Moreton 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.

AMETHYST ACADEMIES TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

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

g. 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 Academies 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

AMETHYST ACADEMIES TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

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.

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 2020), 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 2020. 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

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 2020 where there are

AMETHYST ACADEMIES TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

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 2020

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 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 2020), 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 2020
- 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 2020 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.

Executive Pay

Decisions on executive pay are documented and the policy is reviewed at Trust Board level annually and minuted; the review is clerked and documented.

An external consultant is employed to support and challenge the Trust Board on executive pay decisions. This person minutes all meetings and makes minutes available to all Trust Board members. Decisions on executive pay, once signed off by the trust board, are held on file.

The trust ensures that discrimination is avoided when pay decisions at the trust are made by:

- Decisions are made upon performance related targets and are scrutinised by a committee of Directors.
- Pre-determined pay structures pertaining to a staffing structure are in place that have been agreed by The Trust Board. We comply with the Equalities Act with all of our recruitment and pay related decisions.

We comply with the The Public Sector Equality Duty and have due regard for:

- Eliminate discrimination and other conduct that is prohibited by the Equality Act 2010

AMETHYST ACADEMIES TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

- Advance equality of opportunity between people who share a protected characteristic and people who do not share it
- Foster good relations across all characteristics, between people who share a protected characteristic and people who do not share it
- Equal Pay Act 1970 We publish on our website
- Information to demonstrate how we are complying with the PSED
- Equality objectives

The gender pay gap is published on the website and is benchmarked against similar sized Trusts.

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.

h. TRADE UNION FACILITY TIME

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	1
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	636
Total pay bill	8,506,484
Percentage of total pay bill spent on facility time	0.01 %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100.00 %
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Objectives and Activities

a. OBJECTS AND AIMS

The Senior Leadership team, governors and middle leaders of Amethyst Academies Trust show an uncompromising and highly successful drive to improve achievement for all students over a sustained period of time.

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 Trust is now in a

AMETHYST ACADEMIES TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

strengthened position to use its Multi Academies Trust status to support other schools. The Executive Principal is a National Leader of Education and has supported a number of primary and secondary schools and also the Chair of Wolverhampton Secondary Headteachers.

The Trust 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.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The Trust submitted a wave 14 application for a new Secondary Free School in Wolverhampton and have also applied to become a teaching schools hub. Both schools have substantially increased their plans through the secondary sufficiency strategy attracting additional funding for classrooms. Aldersley High School has a new base for 20 children with SLC and ASD.

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

AMETHYST ACADEMIES TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

Achieve their goals:

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

c. 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)].

Strategic report

a. KEY PERFORMANCE INDICATORS

Achievements and Performance

Both schools and Sixth Form used Centre Assessed grades due to the Coronavirus Pandemic.

Attendance was above national average at Aldersley High School and our highest to date 96%. Moreton School was improved by 1% at 94%. Marketing and publicity of the Academy has been positive and we have exceeded our target for new Year 7s at both academies. Moreton School increased their PAN by 160 to 180. Secondary sufficiency strategy funding has been used to ensure that there is increased accommodation at Aldersley High School and further funding will allow Moreton School to undergo substantial rebuild and refurbishment this Spring..

b. 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.

c. REVIEW OF ACTIVITIES

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 Academy Trust Board. This committee ensures that the expenditure is used appropriately to support the School Development Plan.

Financial review

a. 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 Accounting and Reporting by Charities: Statement of Recommended Practice; commonly referred to as the Charity SORP. Academy schools,

AMETHYST ACADEMIES TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

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 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. At year end free reserves of £450,000 were held.

As of the 31st August 2019 the in-year deficit figure was £485,489.

The actual state position of reserves (restricted general funds, excluding pension reserves, plus unrestricted funds) as at 31st August 2019 £10,887,895.

b. MATERIAL INVESTMENTS 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.

c. 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 monthly 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 Academies 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 school 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.

AMETHYST ACADEMIES TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

a. FUTURE DEVELOPMENTS

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 bring a third secondary school into the trust within the next 12 months through the wave 14 application
- 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
- All leaders will be highly ambitious for the Academies and demonstrate an uncompromising and relentless drive for excellence and continual improvement in achievement
- The Trust has worked over the past 12 months into consolidating its' Sixth Form into the new build and will ensure that the number of students going on to attend Russell group universities is increased.

FUNDS HELD AS CUSTODIAN

There are no funds that are held by the Academy Trust but are not owned by them, other than the Bursary Fund which stood at £Nil (2019: £Nil).

DISCLOSURE OF INFORMATION TO AUDITOR

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 29 November 2020 and signed on its behalf by:


.....
Mr J Inglis
Chair of Trustees

AMETHYST ACADEMIES TRUST

(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Amethyst 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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 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 J Inglis, Chair of Trustees	6	6
Mrs N Davis, Principal and Accounting Officer	6	6
Mr M Marks	5	6
Mrs S Reid	5	6
Mrs H Bourton	2	6
Mr B Stephenson, Vice Chair	6	6
Mr R Grant	5	6
Mrs T Beazley	3	5
Mrs C Thomas	0	2

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 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
J Inglic (Chair)	7	7
N Davies (Principal and Accounting Officer)	6	7
T Beazley	4	5
S Reid	7	7

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the academy's use of its resources has provided good value for money

AMETHYST ACADEMIES TRUST

(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy has delivered improved value for money during the year by:

- A major restructure review of staffing against the needs of the curriculum for both academies. This has resulted in substantial in year savings whilst not compromising upon the curriculum.
- Fully centralized Sixth Form that has saved on the majority of courses.
- Further centralized all services including reprographics, legal and compliance and GDPR.

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 Academies Trust for the year 1 September 2019 to 31 August 2020 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 significant risks, that has been in place for the year 1 September 2019 to 31 August 2020 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 S4S 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

AMETHYST ACADEMIES TRUST

(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

- Banking
- Assets

Compliance with the Academies Financial Handbook (September 2019), 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 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.

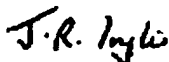
REVIEW OF EFFECTIVENESS

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:

- 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 29 November 2020 and signed on its behalf, by:



.....
Mr J Inglis
Chair of Trustees



.....
Mrs N Davis

AMETHYST ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Amethyst Academies Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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

.....*N Davis*.....
Mrs N Davis

29 November 2020

AMETHYST ACADEMIES TRUST

(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

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

Company law requires the 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:

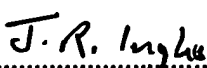
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 29 November 2020 and signed on its behalf by:


.....
Mr J Inglis
Chair of Trustees

AMETHYST ACADEMIES TRUST

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF AMETHYST ACADEMIES TRUST

OPINION

We have audited the financial statements of Amethyst Academies Trust ("the 'Academy Trust'") for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities; Statement of Recommended Practice applicable to Charities (Charities SORP 2019) and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of Amethyst Academy Trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

AMETHYST ACADEMIES TRUST

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF AMETHYST ACADEMIES TRUST

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement set out on page 15, the Trustees (who are directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AMETHYST ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE
MEMBERS OF AMETHYST ACADEMIES TRUST**

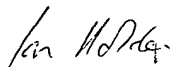
AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF THE AUDIT REPORT

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



Ian Holder (Senior Statutory Auditor)

for and on behalf of

Mazars LLP

Chartered Accountants
Statutory Auditor

45 Church Street
Birmingham
B3 2RT

Date: 16 December 2020

AMETHYST ACADEMIES TRUST

(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AMETHYST ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 9th September 2020 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Amethyst Academy Trust during the year 1 September 2019 to 31 August 2020 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 and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Amethyst Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Amethyst Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of Amethyst Academy Trust's funding agreement with the Secretary of State for Education dated 21 December 2012, and the Academies Financial Handbook extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

AMETHYST ACADEMIES TRUST
(A company limited by guarantee)

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

CONCLUSION

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has 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: 16 December 20 20

AMETHYST ACADEMIES TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:						
Donations and capital grants	2	25,168	-	335,356	360,524	1,358,885
Charitable activities	3	141,241	12,360,300	-	12,501,541	10,802,267
Other trading activities	4	91,226	64,318	-	155,544	185,147
Investments	5	1,581	-	-	1,581	735
TOTAL INCOME		259,216	12,424,618	335,356	13,019,190	12,347,034
EXPENDITURE ON:						
Charitable activities:						
Raising funds		36,173	-	-	36,173	93,987
Other charitable activities		222,564	12,456,140	413,863	13,092,567	11,533,536
TOTAL EXPENDITURE	6	258,737	12,456,140	413,863	13,128,740	11,627,523
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		479	(31,522)	(78,507)	(109,550)	719,511
Transfers between Funds	17	-	(209,882)	209,882	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		479	(241,404)	131,375	(109,550)	719,511
Actuarial losses on defined benefit pension schemes	22	-	(905,000)	-	(905,000)	(1,205,000)
NET MOVEMENT IN FUNDS		479	(1,146,404)	131,375	(1,014,550)	(485,489)
RECONCILIATION OF FUNDS:						
Total funds brought forward		499,433	(8,048,472)	18,436,934	10,887,895	11,373,384
TOTAL FUNDS CARRIED FORWARD		499,912	(9,194,876)	18,568,309	9,873,345	10,887,895

All activities relate to continuing activities.

AMETHYST ACADEMIES TRUST
Registered number: 08310900
(A company limited by guarantee)

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	£	2020 £	£	2019 £
FIXED ASSETS					
Intangible assets	13		-		1,051
Tangible assets	14		18,568,309		18,435,883
			<u>18,568,309</u>		<u>18,436,934</u>
CURRENT ASSETS					
Debtors	15	449,613		907,303	
Cash at bank and in hand		573,914		972,020	
		<u>1,023,527</u>		<u>1,879,323</u>	
CREDITORS: amounts falling due within one year	16	(269,491)		(1,178,362)	
NET CURRENT ASSETS			<u>754,036</u>		<u>700,961</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>19,322,345</u>		<u>19,137,895</u>
Defined benefit pension scheme liability	22		(9,449,000)		(8,250,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>9,873,345</u></u>		<u><u>10,887,895</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	254,124		201,528	
Restricted fixed asset funds	17	18,568,309		18,436,934	
		<u>18,822,433</u>		<u>18,638,462</u>	
Restricted funds excluding pension liability					
Pension reserve		(9,449,000)		(8,250,000)	
		<u></u>		<u></u>	
Total restricted income funds			9,373,433		10,388,462
Unrestricted income funds	17		499,912		499,433
			<u>499,912</u>		<u>499,433</u>
TOTAL FUNDS			<u><u>9,873,345</u></u>		<u><u>10,887,895</u></u>

The financial statements on pages 21 to 44 were approved by the Trustees, and authorised for issue, on 29 November 2020 and are signed on their behalf, by:

J. R. Inglis
.....
Mr J Inglis
Chair of Trustees

AMETHYST ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>145,551</u>	<u>1,530,175</u>
Cash flows from investing activities:			
Investment income		1,581	735
Purchase of tangible fixed assets	14	<u>(545,238)</u>	<u>(1,333,099)</u>
Net cash used in investing activities		<u>(543,657)</u>	<u>(1,332,364)</u>
Change in cash and cash equivalents in the year		(398,106)	197,811
Cash and cash equivalents brought forward		<u>972,020</u>	<u>774,209</u>
Cash and cash equivalents carried forward	20	<u><u>573,914</u></u>	<u><u>972,020</u></u>

AMETHYST ACADEMIES TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Amethyst Academies Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy 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.

AMETHYST ACADEMIES TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

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

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

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

AMETHYST ACADEMIES TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

1.5 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 on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

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

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	2% straight line
Fixtures and fittings	-	25% straight line
Motor vehicles	-	25% straight line
Computer equipment	-	25% Straight line

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

1.7 Debtors

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

AMETHYST ACADEMIES TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

1.8 Cash at Bank and in hand

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

1.9 Liabilities and provisions

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

1.10 Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.11 Taxation

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

AMETHYST ACADEMIES TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.13 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the 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 with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

AMETHYST ACADEMIES TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

1.14 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The academy trust 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.

Pension scheme

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 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

Depreciation

The assessment of the useful economic lives and the method of depreciating fixed assets requires judgement. Depreciation is charged to profit or loss based on the useful economic life selected, which requires an estimation of the period and profile over which the Academy Trust expects to consume the future economic benefits embodied in the assets.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	25,168	-	-	25,168	12,971
Capital Grants	-	-	335,356	335,356	1,345,914
	<u>25,168</u>	<u>-</u>	<u>335,356</u>	<u>360,524</u>	<u>1,358,885</u>
Total 2019	<u><u>1,345,914</u></u>	<u><u>12,971</u></u>	<u><u>-</u></u>	<u><u>1,358,885</u></u>	

AMETHYST ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant	-	10,625,382	10,625,382	9,560,830
Other DfE/ESFA grants	-	1,259,734	1,259,734	810,801
Local authority grants	-	362,499	362,499	129,706
Special educational projects	-	112,685	112,685	109,922
Other income from the academy trust	141,241	-	141,241	191,008
	<u>141,241</u>	<u>12,360,300</u>	<u>12,501,541</u>	<u>10,802,267</u>
Total 2019	<u>-</u>	<u>10,802,267</u>	<u>10,802,267</u>	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Hire of facilities	-	-	-	5,067
Catering income (Non pupils)	7,434	-	7,434	10,053
School trips	-	84	84	53,061
Sundry Income	83,792	64,234	148,026	116,966
	<u>91,226</u>	<u>64,318</u>	<u>155,544</u>	<u>185,147</u>
Total 2019	<u>56,939</u>	<u>128,208</u>	<u>185,147</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Short term deposits	1,581	-	1,581	735
	<u>1,581</u>	<u>-</u>	<u>1,581</u>	<u>735</u>
Total 2019	<u>1,581</u>	<u>-</u>	<u>1,581</u>	

AMETHYST ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6. EXPENDITURE

	Staff costs 2020 £	Premises 2020 £	Other costs 2020 £	Total 2020 £	Total 2019 £
Educational Operations:					
Direct costs	8,827,687	374,380	810,886	10,012,953	8,658,661
Support costs	1,720,031	650,556	708,856	3,079,443	2,801,075
Expenditure on raising funds					
Direct costs	9,501	-	172	9,673	145,931
Support costs	-	-	26,671	26,671	21,856
	<u>10,557,219</u>	<u>1,024,936</u>	<u>1,546,585</u>	<u>13,128,740</u>	<u>11,627,523</u>
Total 2019	<u>9,168,912</u>	<u>1,321,253</u>	<u>1,137,358</u>	<u>11,627,523</u>	

7. SUPPORT COSTS

	Educational Operations £	Raising funds £	Total 2020 £	Total 2019 £
Pension finance costs	153,000	-	153,000	173,000
Technology costs	27,958	-	27,958	31,408
Premises costs	598,826	-	598,826	573,955
Other support costs	623,206	26,671	649,877	562,792
Legal fees	4,677	-	4,677	626
Governance costs	60,597	-	60,597	53,553
Wages and salaries	801,696	-	801,696	679,300
Pension current service cost	770,000	-	770,000	714,000
Depreciation	39,483	-	39,483	34,297
	<u>3,079,443</u>	<u>26,671</u>	<u>3,106,114</u>	<u>2,822,931</u>
Total 2019	<u>2,801,075</u>	<u>21,856</u>	<u>2,822,931</u>	

AMETHYST ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. NET EXPENDITURE

This is stated after charging	2020	2019
	£	£
Amortisation of intangible fixed assets	1,051	1,804
Depreciation of tangible fixed assets:		
- owned by the academy	412,812	366,777
Auditor's remuneration	13,900	13,500
Auditor's remuneration - non-audit	6,310	6,090
Governance Internal audit costs	1,400	1,400
Operating lease rentals:		
- other operating leases	38,506	20,799

AMETHYST ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	7,672,942	6,807,020
Social security costs	732,164	639,649
Operating costs of defined benefit pension schemes	1,970,175	1,467,038
	<u>10,375,281</u>	<u>8,913,707</u>
Agency staff costs	28,938	52,598
Staff restructuring costs	3,000	30,607
Other costs	150,000	172,000
	<u>10,557,219</u>	<u>9,168,912</u>

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

Of the restructuring costs £Nil (2019: £Nil) relate to non-contractual termination payments and £3,000 (2019: £30,607) relate to contractual termination payments.

c. Staff numbers

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

	2020 No.	2019 No.
Teachers - full time	116	99
Administration and support	118	116
Management team	26	25
	<u>260</u>	<u>240</u>

d. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	6	8
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	0	1
In the band £90,001 - £100,000	1	0
In the band £110,001 - £120,000	0	1
In the band £120,001 - £130,000	1	0

AMETHYST ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. CENTRAL SERVICES

No central services were provided by the academy to its academies during the year and no central charges arose.

11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. 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:

		2020 £	2019 £
Mrs N Davis, Head Teacher	Remuneration	120,000-125,000	115,000-120,000
	Pension contributions paid	25,000-30,000	15,000-20,000

During the year ended 31 August 2020, no Trustees received any reimbursement of expenses (2019 - £nil).

12. 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 £50,000,000 (2019: £10,000,000) on any one claim and the cost for the year ended 31 August 2020 was included in the overall insurance cost of £42,694 (2019: included in the overall insurance cost of £40,765).

13. INTANGIBLE FIXED ASSETS

	Computer software £
Cost	
At 1 September 2019 and 31 August 2020	51,102
Amortisation	
At 1 September 2019	50,051
Charge for the year	1,051
At 31 August 2020	51,102
Carrying amount	
At 31 August 2020	-
At 31 August 2019	1,051

AMETHYST ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

14. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2019	19,325,473	11,089	245,432	947,185	20,529,179
Additions	402,278	-	82,800	60,160	545,238
At 31 August 2020	19,727,751	11,089	328,232	1,007,345	21,074,417
Depreciation					
At 1 September 2019	1,054,031	11,089	153,105	875,071	2,093,296
Charge for the year	327,887	-	44,077	40,848	412,812
At 31 August 2020	1,381,918	11,089	197,182	915,919	2,506,108
Net book value					
At 31 August 2020	18,345,833	-	131,050	91,426	18,568,309
At 31 August 2019	18,271,442	-	92,327	72,114	18,435,883

15. DEBTORS

	2020 £	2019 £
Trade debtors	15,227	1,650
Other debtors	44,889	94,561
Prepayments and accrued income	389,497	811,092
	449,613	907,303

16. CREDITORS: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	53,437	311,319
Other taxation and social security	-	171,263
Other creditors	23,044	-
Accruals and deferred income	193,010	695,780
	269,491	1,178,362

AMETHYST ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

16. CREDITORS: Amounts falling due within one year (continued)

	2020 £	2019 £
Deferred income		
Deferred income at 1 September 2019	11,921	20,404
Resources deferred during the year	22,040	11,921
Amounts released from previous years	(11,921)	(20,404)
	<u>22,040</u>	<u>11,921</u>
Deferred income at 31 August 2020	<u>22,040</u>	<u>11,921</u>

17. STATEMENT OF FUNDS

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	499,433	259,216	(258,737)	-	-	499,912
Restricted funds						
General Annual Grant (GAG)	201,528	11,036,908	(10,774,430)	(209,882)	-	254,124
Pupil Premium	-	785,393	(785,393)	-	-	-
Year 7 Catch Up Grant	-	18,069	(18,069)	-	-	-
Rates Relief	-	44,747	(44,747)	-	-	-
Local Authority Grants	-	475,184	(475,184)	-	-	-
Other Trading Activities	-	64,317	(64,317)	-	-	-
Pension reserve	(8,250,000)	-	(294,000)	-	(905,000)	(9,449,000)
	<u>(8,048,472)</u>	<u>12,424,618</u>	<u>(12,456,140)</u>	<u>(209,882)</u>	<u>(905,000)</u>	<u>(9,194,876)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	227,764	-	(10,057)	-	-	217,707
Transfer on conversion	16,809,753	-	(288,631)	-	-	16,521,122
Capital expenditure from GAG	1,399,417	335,356	(115,175)	209,882	-	1,829,480
	<u>18,436,934</u>	<u>335,356</u>	<u>(413,863)</u>	<u>209,882</u>	<u>-</u>	<u>18,568,309</u>
Total restricted funds	<u>10,388,462</u>	<u>12,759,974</u>	<u>(12,870,003)</u>	<u>-</u>	<u>(905,000)</u>	<u>9,373,433</u>
Total of funds	<u>10,887,895</u>	<u>13,019,190</u>	<u>(13,128,740)</u>	<u>-</u>	<u>(905,000)</u>	<u>9,873,345</u>

AMETHYST ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. STATEMENT OF FUNDS (continued)

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 EFSA 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.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2020 were allocated as follows:

	Total 2020 £	Total 2019 £
Aldersley High School	377,906	388,485
Moreton School	376,130	312,476
Total before fixed asset fund and pension reserve	754,036	700,961
Restricted fixed asset fund	18,568,309	18,436,934
Pension reserve	(9,449,000)	(8,250,000)
Total	9,873,345	10,887,895

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depn £	Total 2020 £	Total 2019 £
Aldersley High School	4,895,074	1,126,771	147,594	991,901	7,161,340	6,182,940
Moreton School	3,932,613	720,076	104,082	796,766	5,553,537	5,241,167
	8,827,687	1,846,847	251,676	1,788,667	12,714,877	11,424,107

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
General Funds	449,977	261,653	(212,197)	-	-	499,433

AMETHYST ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. STATEMENT OF FUNDS (continued)

Restricted funds

General Annual Grant (GAG)	-	9,560,830	(9,385,731)	26,429	-	201,528
Pupil Premium	119,836	739,897	(859,733)	-	-	-
Year 7 Catch Up Grant	11,540	27,017	(38,557)	-	-	-
Rates Relief	-	43,887	(43,887)	-	-	-
Local Authority Grants	-	239,628	(239,628)	-	-	-
Other Trading Activities	-	128,208	(128,208)	-	-	-
Pension reserve	(6,694,000)	-	(351,000)	-	(1,205,000)	(8,250,000)
	<u>(6,562,624)</u>	<u>10,739,467</u>	<u>(11,046,744)</u>	<u>26,429</u>	<u>(1,205,000)</u>	<u>(8,048,472)</u>

Restricted fixed asset funds

DfE/ESFA capital grants	237,822	-	(10,058)	-	-	227,764
Transfer on conversion	17,117,350	-	(307,597)	-	-	16,809,753
Capital expenditure from GAG	130,859	1,345,914	(50,927)	(26,429)	-	1,399,417
	<u>17,486,031</u>	<u>1,345,914</u>	<u>(368,582)</u>	<u>(26,429)</u>	<u>-</u>	<u>18,436,934</u>
Total restricted funds	<u>10,923,407</u>	<u>12,085,381</u>	<u>(11,415,326)</u>	<u>-</u>	<u>(1,205,000)</u>	<u>10,388,462</u>
Total of funds	<u>11,373,384</u>	<u>12,347,034</u>	<u>(11,627,523)</u>	<u>-</u>	<u>(1,205,000)</u>	<u>10,887,895</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	18,568,309	18,568,309
Current assets	499,912	523,615	-	1,023,527
Creditors due within one year	-	(269,491)	-	(269,491)
Provisions for liabilities and charges	-	(9,449,000)	-	(9,449,000)
	<u>499,912</u>	<u>(9,194,876)</u>	<u>18,568,309</u>	<u>9,873,345</u>

AMETHYST ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2019 £	2019 £	2019 £	2019 £
Intangible fixed assets	-	-	1,052	1,052
Tangible fixed assets	-	-	18,435,882	18,435,882
Current assets	499,433	1,379,890	-	1,879,323
Creditors due within one year	-	(1,178,362)	-	(1,178,362)
Provisions for liabilities and charges	-	(8,250,000)	-	(8,250,000)
	<u>499,433</u>	<u>(8,048,472)</u>	<u>18,436,934</u>	<u>10,887,895</u>

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

	2020 £	2019 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(109,550)	719,511
Adjustment for:		
Depreciation charges	412,812	366,778
Dividends, interest and rents from investments	(1,581)	(735)
Loss on the sale of fixed assets	-	13,614
Decrease/(increase) in debtors	457,690	(443,484)
(Decrease)/increase in creditors	(908,871)	521,687
Defined benefit pension scheme cost less contributions payable	141,000	178,000
Defined benefit pension scheme finance cost	153,000	173,000
Amortisation on intangible fixed assets	1,051	1,804
Net cash provided by operating activities	<u>145,551</u>	<u>1,530,175</u>

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash in hand	573,914	972,020
Total	<u>573,914</u>	<u>972,020</u>

AMETHYST ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

21. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	972,020	(398,106)	573,914
	<u>972,020</u>	<u>(398,106)</u>	<u>573,914</u>

22. 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 Local Government Pension Schemes.

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

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices

AMETHYST ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

22. PENSION COMMITMENTS (continued)

and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £1,234,984 (2019 - £741,773).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £757,000 (2019 - £634,000), of which employer's contributions totalled £629,000 (2019 - £536,000) and employees' contributions totalled £128,000 (2019 - £98,000). 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.

West Midlands Pension Fund

Principal actuarial assumptions:

	2020	2019
Discount rate for scheme liabilities	1.63 %	1.88 %
Rate of increase in salaries	3.25 %	3.68 %
Rate of increase for pensions in payment / inflation	2.25 %	2.18 %

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

	2020	2019
Retiring today		
Males	21.9	20.9
Females	24.1	23.2
Retiring in 20 years		
Males	23.8	22.6
Females	26.0	25.1

Sensitivity analysis	At 31 August 2020 £	At 31 August 2019 £
Discount rate +0.1%	14,265,000	11,744,000
Discount rate -0.1%	15,049,000	12,375,000

AMETHYST ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

22. PENSION COMMITMENTS (continued)

Mortality assumption - 1 year increase	15,221,000	12,488,000
Mortality assumption - 1 year decrease	14,104,000	11,637,000

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

	Fair value at 31 August 2020 £
Equities	2,921,000
Gilts	565,000
Other bonds	202,000
Property	392,000
Cash and other liquid assets	346,000
Other	777,000
Total market value of assets	5,203,000

The actual return on scheme assets was £401,000 (2019 - £214,000).

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

	2020 £	2019 £
Current service cost	(770,000)	(714,000)
Interest income	78,000	88,000
Interest cost	(228,000)	(260,000)
Admin expenses	(3,000)	(1,000)
Total	(923,000)	(887,000)

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

	2020 £	2019 £
Opening defined benefit obligation	12,055,000	9,703,000
Current service cost	770,000	714,000
Interest cost	228,000	260,000
Employee contributions	128,000	98,000
Actuarial losses	1,228,000	1,331,000
Benefits paid	(52,000)	(51,000)
Experience loss/(gain) on defined benefit obligation	105,000	-
Closing defined benefit obligation	14,462,000	12,055,000

AMETHYST ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

22. PENSION COMMITMENTS (continued)

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

	2020 £	2019 £
Opening fair value of scheme assets	3,805,000	3,009,000
Other actuarial gains/(losses)	191,000	-
Employer contributions	629,000	536,000
Interest income	78,000	88,000
Actuarial losses	323,000	126,000
Employee contributions	128,000	98,000
Benefits paid	52,000	(51,000)
Administrative expenses	(3,000)	(1,000)
	<u>5,203,000</u>	<u>3,805,000</u>
Closing fair value of scheme assets	<u>5,203,000</u>	<u>3,805,000</u>

23. OPERATING LEASE COMMITMENTS

At 31 August 2020 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts payable:		
Within 1 year	13,744	24,652
Between 1 and 5 years	25,972	39,082
	<u>39,716</u>	<u>63,734</u>
Total	<u>39,716</u>	<u>63,734</u>

24. MEMBERS' LIABILITY

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

AMETHYST ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

25. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

26. POST BALANCE SHEET EVENTS

The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the United Kingdom. Since the balance sheet date the global pandemic from the outbreak of COVID-19 has continued to evolve.