

Registered number: 09662313 (England and Wales)

AMADEUS PRIMARY ACADEMIES TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2016



<p>AMADEUS PRIMARY ACADEMIES TRUST (A company limited by guarantee)</p>

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 12
Governance statement	13 - 15
<i>Statement of regularity, propriety and compliance</i>	16
Statement of Trustees' responsibilities	17
Independent auditors' report on the financial statements	18 - 19
Independent reporting accountant's report on regularity	20 - 21
Statement of financial activities incorporating income and expenditure account	22
Balance sheet	23
Statement of cash flows	24
Notes to the financial statements	25 - 45

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2016**

Members

Mr Christopher Scott, RDBE Executive Committee (appointed 29 June 2015)
The Revd Colin Terry, Area Dean of Sidcup (appointed 29 June 2015, resigned 4 June 2016)
The Revd Philip Wells, Area Dean of Sidcup (appointed 5 June 2016)
The Ven Dr Paul Wright, Archdeacon of Bromley and Bexley (appointed 29 June 2015)
Mr Daniel Tharby (appointed 1 September 2015)
Mr John Simms (appointed 1 September 2015)

Trustees

Mr Paul Allen, Chair (appointed 29 June 2015)
Mr David Hurt (appointed 29 June 2015)
Mr David Kibby (appointed 29 June 2015, resigned 31 August 2016)
Mrs Marcia Philbin (appointed 29 June 2015)
Father Philip Wells (appointed 29 June 2015)
Mr Daniel Tharby (appointed 29 June 2015)
Mr John Simms (appointed 29 June 2015)
Mrs Bobbie Yarwood-Unachukwu (appointed 29 June 2015)
Mr Peter Wilson, Chief Executive (appointed 29 June 2015)

Company registered number

09662313

Company name

Amadeus Primary Academies Trust

Principal and registered office

C/O Old Bexley CE Primary School, Hurst Road, Bexley, Kent, DA5 3JR

Chief executive officer

Mr Peter Wilson

Executive team

Mr Peter Rhodes, Headteacher - Hillsgrove Primary School
Mr Adam Twyman, Headteacher - Holy Trinity Lamorbey CE Primary School
Ms Karen Lindridge, Headteacher - Old Bexley CE Primary School
Mrs Sarah Young, Headteacher - St Paulinus CE Primary School
Mrs Sabrina Bridges, Finance Director - Amadeus Primary Academies Trust

Independent auditors

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

Bankers

NatWest, Commercial Banking, City Link House, 3rd Floor, 4 Addiscombe Road, Croydon, Surrey, CR0 5TT

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2016**

Advisers (continued)

Solicitors

Winckworth Sherwood, Minerva House, 5 Montague Close, London, SE1 9BB

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from the incorporation date of 29th June 2015 to 31 August 2016. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Structure, governance and management

a. CONSTITUTION

The Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association is the primary governing document of the academy trust.

The Trustees of Amadeus Primary Academies Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Amadeus Primary Academies Trust. The principal object of the Trust is to ensure a consistently high standard of education and financial prudence across the Trust. The company's accounts for 2016 include the operation of 4 academies.

Details of the Trustees who served during the period are included in the Reference and administrative details on page 1.

The following schools form part of the Amadeus Primary Academies Trust (APAT). Hillsgrove Primary School, Holy Trinity CE Primary School, St Paulinus CE Primary School and Old Bexley CE Primary School. There is a combined capacity of 1,800 and the Trust recorded 1,748 on the 6th October 2016 census.

School	Capacity	Census 2016	Nursery Capacity	Census 2016
Hillsgrove Primary School	420	395	26	26
Holy Trinity Lamorbey CE Primary School	420	400	26	24
Old Bexley CE Primary School	750	743	52	52
St Paulinus CE Primary School	210	210		
Total	1,800	1,748	104	102

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

The Trustees had indemnity insurance in place during the year.

AMADEUS PRIMARY ACADEMIES TRUST (A company limited by guarantee)
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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. The articles of association require the appointment of at least three Trustees to the Company. There is no maximum number of Trustees. The members shall appoint such number as they see fit. The members may appoint Staff Trustees. The Trustees delegate a number of functions to the local governing body of each academy via the Scheme of Delegation.

The Trustees were initially appointed from the governing bodies of the founding schools to begin the Trust. New Trustees will be appointed to the Board following a selection process undertaken by the Trustees with recommendation to the Members, drawn from the local governing bodies or wider community to ensure the right mix of skills on the board to provide adequate oversight and challenge of the Trust's short term financial performance and longer term strategy, consistent with the guidance in the Department for Education's Governance Handbook.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Training and induction is tailored to new Trustees appropriate to their requirements and previous experience. The Trustees have access to policies, procedures, minutes, budgets, accounts and other relevant plans and documents that they need to fulfil their role as Trustees.

f. ORGANISATIONAL STRUCTURE

The Trustees have delegated the day to day management of the Company to the Chief Executive supported by the Executive team. The Executive team is comprised of the Trust Finance Director and the Headteacher of each of the four schools. The Executive team meet on a regular basis to monitor and improve the educational performance and the non-educational functions of the Company. The Chief Executive Officer is the Accounting Officer for the Company. Local accountability is delegated to the local governing body and Headteacher of the individual academy via the Scheme of Delegation.

g. ARRANGEMENT FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Trust continues to follow the National Pay and Conditions for Teachers when setting pay and remuneration for the CEO and Headteachers. Salary ranges are based on the number of pupils and the nationally agreed pay scales. The pay and remuneration for other central staff such as the Finance Director are set in line with current business market rates and advice from Bexley's HR services. The scheme of delegation requires the approval of the pay and remuneration for the Executive team and all staff on the Leadership scale in each school to be agreed by the Trustees.

<p style="text-align: center;">AMADEUS PRIMARY ACADEMIES TRUST (A company limited by guarantee)</p>
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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

Objectives and Activities

a. OBJECTS AND AIMS

Amadeus Primary Academies Trust has established an innovative and secure organisation which provides a forward looking and effective collaboration between schools in a single, not for profit organisation, with public accountability. At its core, APAT strives for continuous school improvement through collaboration, common vision, shared values, collective responsibility and effective accountability. We provide excellence in teaching through the encouragement of high expectations and adherence to traditional values and standards. A key principle which underpins APAT's ethos is the development of school improvement capacity to provide high quality education to meet the local needs of each of our educational communities. This is achieved through the work of the APAT Executive Team and the interchange of outstanding practice between the academies within the Trust as well as from external training and collaboration.

The Trust's mission is limitless learning, together. Our aims are that:

- Our schools will run on ethical values and principles which will be explicitly Christian in our Church Schools, and will be a force for good in their communities.
- Our schools exist to serve all our children and young people, to nurture them to become everything that they can be and are meant to be. Our vision is that all our young people become responsible, caring and compassionate citizens, neighbours, friends, and parents; who live their lives in love, faith and hope; who are generous of spirit, respectful of others and committed to justice and equality; who are courageous and ready to stand up for what is right.
- Our schools will provide a broad and rich curriculum that stimulates curiosity, enquiry and independent thinking: excites and inspires all our pupils and students to learn and progress; and enables them to grow in resilience and self-efficacy.
- Our schools will develop, support and challenge our staff to become everything they can be and are meant to be, and to become positive role models who know that they are valued for the quality of their contribution.
- Our schools will work collaboratively, build excellence, aspiration, and improvement for all of our children and young people.

All those with governance and management responsibilities must recognise their responsibility towards the common good, not just of the Academies for whom the Trust is responsible, but of all of the families and the communities in the areas served by the Academies.

The Academies will work collaboratively with each other, sharing resources, knowledge and best practice, to fulfil the Trust's mission, vision and values.

<p style="text-align: center;">AMADEUS PRIMARY ACADEMIES TRUST (A company limited by guarantee)</p>
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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

Key objectives in the first year have been:

1. Strengthening the role of the Trust Executive Team to improve the effectiveness of each Academy through rigorous school improvement, regular focussed Executive team meetings, CEO and Headteacher 1to1 meetings, focussed regular shared learning walks supported and validated by an external School Progress Adviser.
2. Recruitment and development of senior leaders in each school. This has included the appointment of a new Headteacher at Holy Trinity CE Primary School, opportunities for leaders to support or shadow in other Trust schools and additional leadership training.
3. Strengthening the values and vision of the Trust by inviting the Senior Leadership Team within each establishment to an Amadeus conference to share and shape the vision, with the opportunity to discuss, challenge and provide feedback.
4. Strengthening and coordinating financial management by implementing an effective coordinated budget planning and monitoring system using HCSS as well as testing and improving procedures through internal control reviews with Moore Stephens LLP. Implementing new cash handling systems across all schools.
5. Improving governance by developing effective structures at Board level, a greater understanding of the role of the Trust Board and the Local Governing Body, reviewing skills and the scheme of delegation.
6. Commissioning Ingleton Wood to undertake a condition survey in each school and identifying 8 potential bids for December 2016.

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

This has been a very effective first year for the Trust. Following the successful conversion of all four schools, the establishment of the new Trust Board, the appointment of the CEO and Finance Director, the Trust has concentrated on securing financial procedures and leadership roles to facilitate the effective and efficient execution of the Board's key responsibilities.

Leadership appointments have included the promotion of the Heads of School at Hillsgrove and Old Bexley CE to Headteacher within the Trust and the appointment of a new Headteacher at Holy Trinity Lamorbey. Effective performance management is in place within each school to ensure the development of high quality teaching and effective leadership.

A website www.apat.org.uk has been launched and the key policies, documents and procedures are in place and available. New financial systems have been established in each school, using an academy version of SIMS as well as the introduction of HCSS as a budget setting and monitoring tool which allows both an individual school view as well as an overall trust view.

School standards are rigorously monitored through detailed analysis of data and test results, regular monitoring through learning walks, book scrutiny and discussions with children and staff about their learning. This is facilitating effective collaboration and accountability to ensure high standards of education are achieved across the Trust.

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

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

d. PUBLIC BENEFIT

The Trust recognises its responsibilities to the wider community through the Trust's charitable object which is "to...advance, for the public benefit, education...by establishing Church of England schools.... and other schools, whether or not designated as having a religious character" i.e. the Academies. It also sets clear expectations through its published aims, that all those with governance and management responsibilities must recognize their responsibility towards the common good, not just of the Academies for whom the Trust is responsible, but of all of the families and the communities in the areas served by the Academies

Strategic Report

Achievements and performance

The academic performance of the four member academies show secure and improving academic success, particularly in the light of new National Curriculum tests and new progress measures, clarified in September 2016.

Subject	National	Bexley	Hillsgrove	Holy Trinity	Old Bexley	St Paulinus
Attainment						
EYFS GLD	69	78	80	68	81	80
Y1 PHONICS	81	85	97	80	90	87
Y2 PHONICS	68	66	80	75	70	100
Y2 Reading	-	81	90	76	91	93
Y2 Writing	-	75	80	76	86	80
Y2 EGPS*	-	-	82	-	66	85
Y2 Maths	-	80	88	87	93	93
Y2 RWM	-	70	75	67	84	89
Y6 Reading	66	70	64	71	89	83
Y6 Writing	74	78	87	72	92	97
Y6 EGPS	72	77	84	79	83	93
Y6 Maths	70	75	80	72	80	100
Y6 RWM	53	59	60	57	75	80
Progress:						
Y6 Reading	-	-	-0.1	-0.5	+1.7	+0.8
Y6 Writing	-	-	+3.1	-2.1	-0.4	+2.5
Y6 Maths	-	-	+1.2	-1.3	+0.7	+3.5

*EGPS Test was withdrawn from official results and was optional

Each academy in the Trust has a School Improvement Plan which identifies the key objectives to secure educational improvements over time, based on Self Evaluation validated by an external School Progress Adviser, which is monitored and challenged by the Local Governing Body. This is supported through the work of the CEO and the Executive Team in regular learning Walks, Headteacher support, sharing resources and high quality practice, challenge and training.

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

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

a. KEY FINANCIAL PERFORMANCE INDICATORS

Financial performance indicators are shared with the Trustees for information. They are not used for comparison but they assist Trustees to raise appropriate questions and to fulfil their responsibilities in oversight and challenge of the trust's short term financial performance and longer term strategy. The following information has been considered as KPI's

Pupil Numbers
Nursery Numbers
Teachers FTE
Other Staff FTE
Staffing costs as a % of Total Income
Staffing costs as of % of Expenditure
Amadeus Charge as percentage of total funding

b. GOING CONCERN

After making appropriate enquiries, the board of trustees has a reasonable expectation that the 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 Accounting Policies.

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

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

Financial review

a. REVIEW OF ACTIVITIES

The Company's principal income comes from the Education Funding Agency in the form of recurring grants. These grants and the associated expenditure is shown under restricted funds in the Statement of Financial Activities. Additional funding for nursery provision is provided by the Local Authority. Salaries represent the largest expense of the academies and the centre.

The Company makes contributions to the teachers' pension scheme (TPS) and Local Government Pension Scheme (LGPS). The Company balance sheet contains the net pension scheme deficit for all current support staff employees. In addition to the employer contribution the Trust makes an additional pension payment known as the deficit contribution.

The deficit in the Local Government Pension Scheme (LGPS) is recognised on the Balance Sheet in accordance with FRS102. At 31 August 2016, the deficit stood at £2,189,000. The existence of the pension scheme deficit does not mean an immediate liability crystallises and is addressed over a series of years through pension contributions recommended by the pension scheme actuaries during subsequent triennial valuations of the scheme. Note 22 details the assumptions and movements during the year on the scheme.

The financial position to the 31st August is as follows:

£'000	School	Capital	Land & Buildings	LGPS	Total
Total Income	8,733	36	21,840	(1,293)	29,316
Total Expenditure	8,351		642	34	9,027
Net Income/Expenditure	382	36	21,198	(1,327)	20,289
Actuarial Losses				(862)	(862)
Total Funds	382	36	21,198	(2,189)	19,427

*Restricted Fixed Assets includes Capital funds of £36,000 and £21,198,000.

Breakdown of total reserves

School (£'000)	Reserves	Restricted School trip	Restricted Charity	Restricted Big Lottery	Restricted DFC	Available Reserves
Hillsgrove Primary School	55	7	3		9	36
Holy Trinity Lamorbey CE Primary School	128				9	119
Old Bexley CE Primary School	108	44	3		12	49
St Paulinus CE Primary School	54			10	6	38
Amadeus Primary Academies Trust	73					73
Total	418	51	6	10	36	315

*Please note that the restricted elements for the big lottery fund, school trip, charities and capital have been removed to show available reserves.

The schools have reviewed the 2016/17 budgets following confirmation of the reserves.

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

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

b. RESERVES POLICY

The Trustees review the reserve levels when approving the budget for the following year and at year end. If a concern is raised throughout the year the Chief Executive Officer ensures that this is discussed at the Audit & Risk committee or Board meeting as appropriate. The review takes in to consideration the current position and the projected forecast impact to future reserves. The expectation is that in-year income should be sufficient to cover the in-year costs associated with the activities of the Academy. Due to the reduction of budgets for all schools over the next three to four years the local committees and schools have been advised to consider different decisions as staff leave. This could include recruiting less experienced staff or making the decision not to replace staff as they leave.

The Trustees agreed that the reserves should be not be any lower than 1% of pupil led funding (PLF). Pupil led funding includes general annual grant (GAG), high needs and pupil premium. The Trustees are aware that this is low and have requested that the LGB considers the reserves forecast closely with consideration to the fact that funding will be reduced over the next few years and reserves may need to support in year activities until savings can materialise.

School	Reserves 31/08/16	Reserves available *note 1	2016/17 Budget (in-year)	Forecast Reserves 31/08/17
Hillsgrove Primary School	55	36	19	55
Holy Trinity Lamorbey CE Primary School	128	119	3	122
Old Bexley CE Primary School	108	49	2	51
St Paulinus CE Primary School	54	38	(32)	6
Amadeus Primary Academies Trust	73	73	(6)	67
	418	315	(14)	301

*note 1 - Reserves excluding the restricted elements for school trips, charity, big lottery fund (St Paulinus) and capital.

Total reserves forecast for the Trust at the 31st August 2017 are higher than the overall 1% of pupil led funding. Following confirmation of available reserves and reviews of staffing structures, the schools are in the process of providing budgets which reflect the current activities.

School	1% pupil led funding	Comment
Hillsgrove Primary School	19	Changes include updating pupil premium, group income and new appointments that support the educational and operation functions within the school.
Holy Trinity Lamorbey CE Primary	16	Forecast reserves are high and discussions with the LGB are due to take place in November in order to obtain approval to invest in improvements needed around the school.
Old Bexley CE Primary School	29	Changes include updating the staffing structure and a review of expenditure budgets following the year end.
St Paulinus CE Primary School	9	Reserves are below the 1% of pupil led funding and the local committee are working with the school to ensure that savings are materialised.

The reserves shown at 31st August 2016 include restricted balances for capital and school trips.

Whilst the schools are continuously reviewing the current year position with consideration to the impact of decisions in year 2 and beyond, difficult decisions will need to be considered as staff leave. With the support from the Trust the schools will need to look for further financial savings and efficiencies.

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

c. INVESTMENT POLICY

Amadeus Primary Academies Trust does not intend to make any investments and are aware of the position held by the EFA.

During the financial period to 31st August 2016 the Trustees became aware of an investment made in 1931 by the former Headteacher James Thompson Brown of St Paulinus CE Primary School. An amount of £34.94 was recorded as investment income and is shown in note 3 of the accounts. The value of the investment at the 31st December 2015 was £1,164.

d. PRINCIPAL RISKS AND UNCERTAINTIES

The Trust places considerable reliance on the continued government funding at levels that take account of pay and pension funding changes in the public sector and general inflations. Careful budgeting is recommended and the schools are aware they may need to consider alternative solutions as staff leave

Safeguarding of pupils is a high priority for all of the schools. A report on safeguarding for each school is submitted to the Board through the committee structure and an external review of safeguarding has been undertaken by Moore Stephens with recommendations for each Academy to identify and reduce any safeguarding risks.

The educational performance of each Academy in the Trust is reported to the Board through the Joint Standards Committee, including summary academic results, school improvement progress reports and external School Progress Adviser reports. This committee will also review the role and performance of the Local Governing Bodies focusing on their key delegated responsibilities of:

- Setting the vision, ethos and strategic direction of the individual academy in line with the aims of the Trust;
- Holding the Headteacher to account for the educational performance of the individual academy and its pupils, and the performance management of staff; and
- Overseeing the financial performance of the individual academy and making sure its money is well spent.

Financial and Regularity controls in place engaging in the services of Moore Stephens supported by the internal audit function.

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

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

Plans for future periods

a. FUTURE DEVELOPMENTS

We believe in high quality education in a primary context, built on a foundation of ethical values and principles, which are explicitly Christian in our Church schools. All of the academies within the Trust will be learning communities which support the aims and values of the Trust.

The Trust Board's strategic aims agreed in April 2016 have 6 key objectives for the next three years.

1. Accelerate the pace of school improvement to ensure all our Academies deliver the best outcomes for their children.
2. Promote a wider educational experience for all our children and in particular disadvantaged pupils or those with additional educational needs.
3. Develop our provision for staff recruitment, training and progression to ensure the establishment and security of an outstanding workforce and highly effective leadership.
4. Ensure the financial probity, stability and sustainability of APAT and for each of its academies.
5. Ensure our structures of Governance are robust and appropriate in the context of public accountability and through working with Rochester Diocese and Bexley LA, the growth of APAT in to an organisation with responsibility for more academies.
6. Maintain and improve our buildings to ensure that the communities we serve have the best facilities in our area.

The Trust has submitted a three-year expansion plan to the Regional Schools' Commissioner which was agreed in principle in July 2016. This includes capacity for up to 2 convertor schools in 2016-17 and up to 2 convertor schools and 1 sponsored school in 2017-18 and 2018-19.

This is subject to there being sufficient interested schools who are able to support the Trust's aims and ethos, and that the Trust has the capacity to ensure the continued success of all its academies. This will include a high level of due diligence and working closely with the Local Authority, the Diocese of Rochester and is subject to approval by the Regional Schools' Commissioner.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has 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 auditors are aware of that information.

AUDITORS

The auditors, Moore Stephens LLP, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report was approved by order of the board of trustees as the company directors, on 7 December 2016 and signed on its behalf by:


Mr Paul Allen
Chair of Trustees

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the CEO, 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 Amadeus Primary Academies Trust and the Secretary of State for Education. He is 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 3 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Paul Allen, Chair	3	3
Mr David Hurt	1	3
Mr David Kibby	2	3
Mrs Marcia Philbin	3	3
Father Philip Wells	3	3
Mr Daniel Tharby	2	3
Mr John Simms	3	3
Mrs Bobbie Yarwood-Unachukwu	3	3
Mr Peter Wilson, Chief Executive	3	3

The Trust undertook an evaluation of governance in the Spring Term 2016, including a review of Trustees skills. The outcome was that Trustees covered securely a broad range of skills and experience that are appropriate for the Trust to fulfil its responsibilities of high quality education for all its pupils and of financial probity and security. The experience of trustees ranges from a broad and secure base including clergy, business, banking and finance, HR, facilities management, life coaching, local government, education, medical research and multi-academy trusts. The weakest areas of experience were academy conversion, academy trusts and premises, although the Trust has some expertise in all areas. The Trust has also used external advisers to support this.

The effectiveness of governance can be improved by developing greater clarity and understanding about the role of local governors and their key responsibilities as part of a multi-academy trust. This is being undertaken by the Board in 2016-17.

A review of governance will be undertaken in the Autumn Term 2016 to evaluate capacity in the light of any changes to the Trust Board and expansion proposals.

The Joint Standards Committee(JSC) is a sub-committee of the main board of trustees. Whilst the Local Governing Body is directly accountable to the Trust Board, a Joint Standards Committee has been established by the Trust Board to support and promote collaboration with a view particularly to the standards being attained in the Academies. The JSC meet to agree the strategic direction for the Academies and the local priorities in so far as these relate to standards and school improvement targets. The JSC will provide a forum and focus for performance benchmarking and will advise the Trust Board on the agreed strategic focus for the Academies, as well as the threats and opportunities facing the Academies.

Attendance at meetings in the period was as follows:

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Trustee	Meetings attended	Out of a possible
Mr David Kibby	2	2
Mr David Hurt	2	2
Fr Philip Wells, Committee Chair	2	2
Mr Peter Wilson, Chief Executive Officer	2	2
Mrs Bobbie Yarwood-Unachukwu	1	2

The Audit & Risk Committee is also a sub-committee of the main board of trustees. Its purpose is to advise and report to the Trustees in relation any organisational risk which impede the development and implementation of a long term strategy for the success of the Trust. To support and challenge when necessary the Chief Executive Officer to ensure he satisfies his duty as accounting officer. To review any financial and risk report submitted by the Academies and advising the Board of any issues arising from it as well as making recommendations for future reports to sustain the integrity of the financial and risk management systems.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Mr Paul Allen	3	3
Mrs Marcia Philbin	2	3
Mr John Simms, Committee Chair	3	3
Mr Peter Wilson, Chief Executive Officer	3	3

REVIEW OF VALUE FOR MONEY

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

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

- Review of Local Authority service level agreements with consideration to value for money and service
- Review of cash handling with recommendation to implement an online payment system
- Implemented a Trust wide insurance policy
- HCSS budgeting implemented
- Bursarial support provided by the Trust Finance Director

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Amadeus Primary Academies Trust for the period 29 June 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the period 29 June 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Audit & Risk 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 Trust engaged the services of Moore Stephens to complete a review of cash-handling and safeguarding in June 2016. The reports have been provided and reviewed by the Trust Audit & Risk committee. The Trust Finance Director has reviewed processes but no formal testing was completed in the 2015/16 financial year.

The appointee's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On an annual basis, the appointee reports to the board of trustees 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 CEO has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust 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 Joint Standards Committee and Audit & Risk 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 7 December 2016 and signed on their behalf, by:


Mr Paul Allen
Chair of Trustees


Mr Peter Wilson
Accounting Officer

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the Academy Trust Board of 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 2015.

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



Mr Peter Wilson
Accounting Officer

Date: 07 December 2016

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 AUGUST 2016**

The Trustees (who act as governors of Amadeus Primary Academies Trust and 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 Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

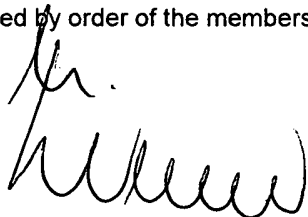
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

The 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 the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 7 December 2016 and signed on its behalf by:



Mr Paul Allen
Chair of Trustees

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
AMADEUS PRIMARY ACADEMIES TRUST**

We have audited the financial statements of Amadeus Primary Academies Trust for the period ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charitable company'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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
AMADEUS PRIMARY ACADEMIES TRUST**

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Ann Mathias

Ann Mathias (Senior statutory auditor)

for and on behalf of

Moore Stephens LLP

150 Aldersgate Street
London
EC1A 4AB
7 December 2016

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AMADEUS
PRIMARY ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 23rd February 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Amadeus Primary Academies Trust during the period 29 June 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF AMADEUS PRIMARY ACADEMIES TRUST'S ACCOUNTING
OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Amadeus Primary Academies Trust's funding agreement with the Secretary of State for Education dated 27th August 2015, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 29 June 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

The work undertaken to draw to our conclusion includes:

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

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 29 June 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Moore Stephens LLP
Moore Stephens LLP

150 Aldersgate Street
London
EC1A 4AB

7 December 2016

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

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

	Note	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000
INCOME FROM:					
Donations and capital grants	2	533	(1,283)	21,876	21,126
Charitable activities	3	169	7,952	-	8,121
Other trading activities	4	66	-	-	66
Investments	5	3	-	-	3
TOTAL INCOME		771	6,669	21,876	29,316
EXPENDITURE ON:					
Charitable activities		98	8,287	642	9,027
TOTAL EXPENDITURE	8	98	8,287	642	9,027
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS					
Transfers between Funds	17	673 (496)	(1,618) 496	21,234 -	20,289 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES					
		177	(1,122)	21,234	20,289
Actuarial losses on defined benefit pension schemes	22	-	(862)	-	(862)
NET MOVEMENT IN FUNDS		177	(1,984)	21,234	19,427
RECONCILIATION OF FUNDS:					
Total funds brought forward		-	-	-	-
TOTAL FUNDS CARRIED FORWARD		177	(1,984)	21,234	19,427

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

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

The notes on pages 25 to 45 form part of these financial statements.

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 09662313

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£000	2016 £000
FIXED ASSETS			
Tangible assets	14		21,198
CURRENT ASSETS			
Debtors	15	279	
Cash at bank and in hand		832	
		<u>1,111</u>	
CREDITORS: amounts falling due within one year	16	(693)	
NET CURRENT ASSETS			<u>418</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>21,616</u>
Defined benefit pension scheme liability	22		(2,189)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>19,427</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds	17	205	
Restricted fixed asset funds	17	21,234	
		<u>21,439</u>	
Restricted funds excluding pension liability			
Pension reserve		(2,189)	
		<u></u>	
Total restricted funds			19,250
Unrestricted income funds	17		177
TOTAL FUNDS			<u><u>19,427</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 7 December 2016 and are signed on their behalf, by:


Mr Paul Allen
Chair of Trustees

The notes on pages 25 to 45 form part of these financial statements.

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2016

	Note	2016 £000
Cash flows from operating activities		
Net cash provided by operating activities	19	391
Cash flows from investing activities:		
Investments		3
Capital grants from DfE/EFA		36
Net cash provided by investing activities		39
Cash transferred on conversion		402
Net cash provided by financing activities		402
Change in cash and cash equivalents in the period		832
Cash and cash equivalents brought forward		-
Cash and cash equivalents carried forward	20	832

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

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES

General Information

The Amadeus Primary Academies Trust is a company limited by guarantee, company number 09662313 registered in England. The registered office and its principal place of business is Old Bexley CE Primary School, Hurst Road, Bexley Kent DA5 3JR.

The principal object of the Trust is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum.

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006. These financial statements are the first set prepared since it incorporated on 29 June 2015.

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

1.2 Fund accounting

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

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

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

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of 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 Trust which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Donations are recognised on a receivable basis where there is certainty of receipt 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.

Charitable activities and Governance costs are costs incurred on the Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

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

The Audit & Risk committee considered going concern in July 2016 when presented with the 2016/17 budget. Due to the reduction of budgets for all schools over the next three to four years the local committees and schools have been advised to consider different decisions as staff move. This could include recruiting less experienced staff or making the decision not to replace staff as others leave.

1.6 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. 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.

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.

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

Long-term leasehold property - over the life of the lease or the useful life of the building

1.7 Operating leases

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

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 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Financial instruments

The only financial instrument held by the Trust is trade creditors. These are categorised as 'basic' in accordance with Section 11 of FRS 102 and are initially recognised at transaction price. These are subsequently measured at their transaction price less any impairment.

1.11 Taxation

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

1.12 Pensions

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

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

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy 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 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Hillsgrove Primary School, Holy Trinity Lamorbey CE Primary School, Old Bexley CE Primary School and St Paulinus CE Primary School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 21.

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.14 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

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

On conversion to an Academy Trust, the assets and liabilities of the Schools transferred are measured at fair value. This includes land and buildings. The valuation of the land and buildings involves a significant degree of estimation, refer to Note 14 for further detail on this estimation.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000
Capital	-	-	36	36
Transfer at conversion from LA (see note 21)	403	(1,293)	21,840	20,950
Local Authority Grants	114	10	-	124
Other Income	16	-	-	16
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	533	(1,283)	21,876	21,126

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000
DfE/EFA grants			
General Annual Grant	-	6,613	6,613
Startup Grants	-	210	210
Other DfE/EFA Grants	-	426	426
	<u>-</u>	<u>7,249</u>	<u>7,249</u>
Other government grants			
Local Authority Grants	-	571	571
	<u>-</u>	<u>571</u>	<u>571</u>
Other income from the academy			
Catering Income	150	-	150
School Trips	-	132	132
Other Income	19	-	19
	<u>169</u>	<u>132</u>	<u>301</u>
	<u>169</u>	<u>7,952</u>	<u>8,121</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000
Hire of Facilities	16	-	16
Receipts from Supply Teacher Insurance Claims	16	-	16
Other Income	34	-	34
	<u>66</u>	<u>-</u>	<u>66</u>

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

5. INVESTMENT INCOME

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000
Investment income	3	-	3

6. DIRECT COSTS

	Educational Operation £000	Total 2016 £000
Educational supplies	285	285
Staff Development	50	50
Technology Costs	67	67
Other Direct Costs	305	305
Wages and salaries	4,379	4,379
National insurance	346	346
Pension cost	689	689
	<u>6,121</u>	<u>6,121</u>

7. SUPPORT COSTS

	Educational Operation	Total 2016
Technology Costs	112	112
Recruitment and Selection	7	7
Maintenance of Premises	346	346
Operating Leases	12	12
Rent & Rates	32	32
Water Rates	42	42
Energy	79	79
Insurance	64	64
Other Occupancy Costs	439	439
Bank and Interest Charges	5	5
Other Support Costs	558	558
Governance Costs	4	4
Wages and salaries	445	445
National insurance	24	24
Pension cost	95	95
Depreciation	642	642
	<u>2,906</u>	<u>2,906</u>

Other Support Costs includes pension finance cost and administration costs that total £115,000.

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

8. EXPENDITURE

	Staff costs 2016 £000	Premises 2016 £000	Other costs 2016 £000	Total 2016 £000
Educational Operation:				
Direct costs	5,684	-	437	6,121
Support costs	572	1,164	1,170	2,906
	<u>6,256</u>	<u>1,164</u>	<u>1,607</u>	<u>9,027</u>

9. NET INCOME/(EXPENDITURE) FOR THE PERIOD

	2016 £000
Depreciation of tangible fixed assets:	
- owned by the charity	642
Operating lease rentals	8
Fees payable to the Trust's auditor for the auditing of accounts	13
Fees payable to the Trust's auditor for teachers pension and other work	8
	<u>671</u>

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

10. STAFF COSTS

Staff costs were as follows:

	2016 £000
Wages and salaries	4,824
Social security costs	369
Operating costs of defined benefit pension schemes	784
	<u>5,977</u>
Staff restructuring costs	8
Supply costs	271
	<u>6,256</u>

Staff restructuring costs comprise of one contractual payment made at Hillsgrove Primary School.

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

	2016 No.
Management	14
Teachers	92
Teachers - Supply	8
Other Staff	127
	<u>241</u>

Average headcount expressed as a full time equivalent:

Management	14
Teachers	100
Teachers - Supply	3
Other Staff	66
	<u>183</u>

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

	2016 No.
£60,001 - £70,000	3
£90,001 - £100,000	1

The key management personnel of the Trust comprise the CEO and senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £464,731. Trustees are also key management but, other than the CEO, they receive no remuneration.

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

11. CENTRAL SERVICES

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

- Educational - Strategical direction and interventions
- Financial services including governance
- Audit

The Trust charges for these services on the following basis:

The Trust calculated the charges for these services based on pupil numbers.

The actual amounts charged during the year were as follows:

	2016 £000
Hillsgrove Primary School	49
Holy Trinity Lamorbey CE Primary School	49
Old Bexley CE Primary School	98
St Paulinus CE Primary School	24
	<hr/>
Total	220 <hr/>

12. TRUSTEES' REMUNERATION AND EXPENSES

One Trustee has been paid remuneration or has received other benefits from an employment with the academy trust. The Trustee only received remuneration in respect of services they provide undertaking the role of CEO under their contract of employment, and not in respect of their role as Trustee. The value of one Trustee remuneration and other benefits was as follows:

		2016 £000
Mr Peter Wilson	Remuneration	95-100
	Pension contributions paid	15-20

During the period, no Trustees received any reimbursement of expenses.

13. 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 £1m on any one claim and the cost for the period ended 31 August 2016 was £825.

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

14. TANGIBLE FIXED ASSETS

	Long-term leasehold property £000
Cost	
Transfer on Conversion	21,840
At 31 August 2016	21,840
Depreciation	
Charge for the period	642
At 31 August 2016	642
Net book value	
At 31 August 2016	21,198

The Trust engaged the services of DVS property services to complete a valuation of land and buildings for all 4 schools. DVS is the specialist property arm of the Valuation Office Agency (VOA), they provide independent valuation and professional property advice to bodies across the entire public sector, and where public money or public functions are involved.

In the accounts to 31st August 2016 the Trust has recognised the depreciated replacement cost for each of the four schools as a donation.

School (£'000)	Land	Building	L&B	Depn	NBV
Hillsgrove Primary School	2,062	3,917	5,979	180	5,799
Holy Trinity Lamorbey CE Primary School	1,502	2,860	4,362	129	4,233
Old Bexley CE Primary School	2,072	6,606	8,678	249	8,429
St Paulinus CE Primary School	979	1,842	2,821	84	2,737
Total	6,615	15,225	21,840	642	21,198

There are three Church of England schools within the Trust where the Rochester Diocesan Board of Education (RDBE) has given permission for the schools to occupy the land and buildings of the school excluding the playing fields. The responsibility of the Trust for the financial maintenance and improvement of land and buildings has been recognised within the accounts.

School	Detail
Hillsgrove Primary School	All land and buildings leased from the Local Authority for 125 years from 1st September 2015.
Holy Trinity Lamorbey CE Primary School	The land and buildings of the school are owned by RDBE who have granted permission to occupy. The playing fields are leased from the Local Authority for 125 years from 1st September 2015.
Old Bexley CE Primary School	The land and buildings of the school are owned by the Local Authority who have granted a 99 year lease from April 1995 to RDBE. RDBE have granted permission to occupy.
St Paulinus CE Primary School	The land and buildings of the school are owned by RDBE who have granted permission to occupy. The playing fields are leased from the Local Authority for 125 years from 1st September 2015.

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

15. DEBTORS

	2016 £000
VAT Recoverable	96
Other debtors	68
Prepayments and accrued income	115
	<u>279</u>

16. CREDITORS: Amounts falling due within one year

	2016 £000
Trade creditors	13
Other taxation and social security	111
Other creditors	258
Accruals and deferred income	311
	<u>693</u>
	£000
Deferred income	
Deferred income at 29 June 2015	-
Resources deferred during the year	166

17. STATEMENT OF FUNDS

	Brought Forward £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
Unrestricted funds						
Unrestricted Funds	-	771	(98)	(496)	-	177
Restricted funds						
Restricted Funds	-	7,962	(8,253)	496	-	205
Pension reserve	-	(1,293)	(34)	-	(862)	(2,189)
	<u>-</u>	<u>6,669</u>	<u>(8,287)</u>	<u>496</u>	<u>(862)</u>	<u>(1,984)</u>

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

17. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Restricted Fixed Asset Funds	-	21,840	(642)	-	-	21,198
Capital Funds	-	36	-	-	-	36
	-	21,876	(642)	-	-	21,234
Total restricted funds	-	28,545	(8,929)	496	(862)	19,250
Total of funds	-	29,316	(9,027)	-	(862)	19,427

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

Unrestricted reserves

Includes lettings, uniform, PTA and parent contributions and the associated expenditure. The donations from former schools, catering income and an element of the school fund donation have been transferred to restricted reserves. The donations from former schools have been used to support the ongoing costs of the Academies which is why the full amount has been transferred. Specific codes have been set up for expenditure purchased using unrestricted income.

Transfer	£'000
Donation from conversion	149
Donation from school voluntary funds	293
Old Bexley CE Primary School - School trip donation	50
Holy Trinity Lamorbey CE Primary School - School trip	5
St Paulinus CE Primary School - School trip	6
Holy Trinity Lamorbey CE Primary School - expenditure	(7)
Total Transfer	496

Restricted reserves

Includes income from the EFA, Local Authority and other DfE, this also includes restricted school trips activities. All of the expenditure within the schools has been allocated to restricted and the donation from the former schools transferred to support current year and ongoing school activities.

Included within restricted reserves is a balance of £54k relating to school trip activities

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

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

17. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £000
Hillsgrove Primary School	46
Holy Trinity Lamorbey CE Primary School	119
Old Bexley CE Primary School	96
St Paulinus CE Primary School	48
Amadeus Primary Academies Trust	73
	<hr/>
Total before fixed asset fund and pension reserve	382
Restricted fixed asset fund	21,234
Pension reserve	(2,189)
	<hr/>
Total	19,427
	<hr/> <hr/>

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2016 £000
Hillsgrove Primary School	1,415	76	79	420	1,990
Holy Trinity Lamorbey CE Primary School	1,236	177	85	355	1,853
Old Bexley CE Primary School	2,346	210	93	725	3,374
St Paulinus CE Primary School	687	109	28	197	1,021
Amadeus Primary Academies Trust	-	-	-	147	147
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	5,684	572	285	1,844	8,385
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000
Tangible fixed assets	-	-	21,198	21,198
Current assets	177	898	36	1,111
Creditors due within one year	-	(693)	-	(693)
Provisions for liabilities and charges	-	(2,189)	-	(2,189)
	<u>177</u>	<u>(1,984)</u>	<u>21,234</u>	<u>19,427</u>

19. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £000
Net income for the reporting period (as per statement of financial activities)	20,289
Adjustment for:	
Depreciation [note 14]	642
Fixed asset transferred	(21,840)
(Increase) in debtors	(279)
Increase in creditors	693
Capital grants from DfE and other capital income	(36)
Defined benefit pension scheme obligation inherited (note 22)	1,293
Defined benefit pension scheme cost less contributions payable (note 22)	(95)
Defined benefit pension scheme finance cost	129
Interest receivable (note 5)	(3)
Cash transferred on conversion	(402)
Net cash provided by Operating Activities	<u>391</u>

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £000
Cash in hand	832
Total	<u>832</u>

21. CONVERSION TO AN ACADEMY TRUST

On 1st September 2015 Hills Grove Primary School, Holy Trinity Lamorbey CE Primary School, Old Bexley CE Primary School and St Paulinus CE Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Amadeus Primary Academies Trust from London Borough of Bexley for £NIL consideration.

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

21. CONVERSION TO AN ACADEMY TRUST (continued)

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

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

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Leasehold land and buildings	-	-	21,840	21,840
Budget surplus on LA funds	293	-	-	293
Budget surplus on other school funds	60	50	-	110
LGPS pension (deficit)	-	(1,293)	-	(1,293)
Net assets/(liabilities)	<u>353</u>	<u>(1,243)</u>	<u>21,840</u>	<u>20,950</u>

The above net assets include £402,418 that were transferred as cash. 12 operating leases for equipment were also transferred with a total annual commitment under these leases of £12,038.

22. PENSION COMMITMENTS

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

As described in note 21 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £94,105 were payable to the schemes at 31 August 2016 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007,

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

22. PENSION COMMITMENTS (continued)

automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £540,662.

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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2016 was £452,876, of which employer's contributions totalled £374,633 and employees' contributions totalled £78,243. The agreed contribution rates for future years are between 15.4 - 19.9 % for employers and 5.7 - 6% 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.

AMADEUS PRIMARY ACADEMIES TRUST (A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

22. PENSION COMMITMENTS (continued)

Principal actuarial assumptions:

	2016
Discount rate for scheme liabilities	2.10 %
Rate of increase in salaries	3.30 %
Rate of increase for pensions in payment / inflation	1.90 %
Inflation assumption (CPI)	1.80 %

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

	2016
Retiring today	
Males	23.2
Females	25.6
Retiring in 20 years	
Males	25.5
Females	28.5

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

	Fair value at 31 August 2016 £000
Equities	1,264
Bonds	157
Property	227
Other (including cash)	397
Total market value of assets	2,045

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

22. PENSION COMMITMENTS (continued)

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

	2016 £000
Gains on curtailments and settlements	(14)
Administration costs	(11)
Net interest cost	(104)
Current service cost (net of employee contributions)	95
	<hr/>
Total	(34)
	<hr/>
Actual return on scheme assets	302
	<hr/>

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

	2016 £000
Upon conversion	2,579
Current service cost	280
Interest cost	104
Contributions by employees	78
Actuarial losses	1,165
Benefits paid	14
Plan introductions, benefit changes, curtailments and settlements	14
	<hr/>
Closing defined benefit obligation	4,234
	<hr/>

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

	2016 £000
Upon conversion	1,286
Interest on plan assets	59
Actuarial gains and (losses)	244
Contributions by employer	375
Contributions by employees	78
Benefits paid	14
Administration costs	(11)
	<hr/>
Closing fair value of scheme assets	2,045
	<hr/>

AMADEUS PRIMARY ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

23. OPERATING LEASE COMMITMENTS

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

	2016 £000
Amounts payable:	
Within 1 year	29
Between 1 and 5 years	18
After more than 5 years	-
Total	47

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 £ 10 for the debts and liabilities contracted before he/she ceases to be a member.

25. RELATED PARTY TRANSACTIONS

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

Declaration	Value (exl VAT)
Mr David Kibby provides coaching at Old Bexley CE Primary School. This arrangement was in place prior to the appointment as Trustee. There was no balance outstanding at the end of the year. The Trustees have had assurance that the arrangement was provided at cost and in line with the EFA guidelines.	£5,000
Mr David Kibby's wife, Kate Kibby provides music tuition at Old Bexley CE Primary School. This arrangement was in place prior to the appointment of David Kibby as Trustee.	£2,899
Mr John Simms wife, Natalie Simms has an employment contract at Hillsgrove Primary School as a Teaching Assistant. This arrangement was in place prior to the appointment of Trustee and Member.	Employment contract
Mr Ben Bullen, LGB committee member at Holy Trinity has a company that provides school activities. During the period orienteering days were provided. There was no balance outstanding at the end of the year. The Trustees have had assurance that the arrangement was provided at cost.	£400