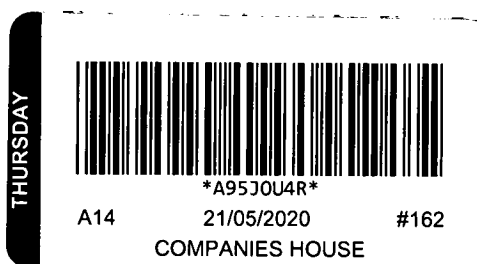


Amadeus Primary Academies Trust
(A company limited by guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2019



Amadeus Primary Academies Trust
(A company limited by guarantee)

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Amadeus Primary Academies Trust
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Reference and Administrative Details

Members

Mr J. Constanti (appointed 7 March 2019)
Ms M. Jemmett (appointed 28 February 2019)
Mr C. Scott (resigned 7 March 2019)
Mr J. Simms
Mr D. Tharby
Reverend P. Wells (resigned 27 February 2019)
The Ven Dr P. Wright

Trustees

Mr P. Allen, Chair of Trustees
Mr J. Simms, Vice Chair
Mr P. Wilson, Chief Executive Officer
Reverend Dr J. Bowen (resigned 31 August 2019)
Ms J. Collins (appointed 11 January 2019)
Dr M. Philbin
Reverend P. Wells (resigned 15 March 2019)

Company registered number

09662313

Company name

Amadeus Primary Academies Trust

Principal and registered office

Old Bexley CE Primary School
Hurst Road
Bexley
Kent
DA5 3JR

Chief executive officer

Mr. P. Wilson

Executive team

Mr P. Wilson, Chief Executive Officer
Mrs S. Bridges, Finance & Operations Director
Mr. P. Rhodes, Executive Headteacher - Hillsgrove Primary School and St Paul's Cray CoE Primary School
Mrs. J. Ivil, Headteacher - Old Bexley CoE Primary School
Mr. S. Pepperrell, Headteacher - Castilion Primary School
Mr. A. Twyman, Headteacher - Holy Trinity Lamorbey CoE Primary School
Mrs. S. Young, Headteacher - St Paulinus CoE Primary School

Independent auditors

UHY Kent LLP t/a UHY Hacker Young
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Amadeus Primary Academies Trust
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Reference and Administrative Details (continued)
For the year ended 31 August 2019

Bankers

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

Solicitors

Winckworth Sherwood
Minerva House
5 Montague Close
London
SE1 9BB

Amadeus Primary Academies Trust
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 August 2019

The trustees present their annual report together with the financial statements and auditor's report of the multi-academy trust for the year to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates six primary academies, five in Bexley and a sixth in Bromley. Its academies have a combined pupil capacity, including nursery, of 2,682 and had a roll of 2,538 on the October 2018 school census.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Amadeus Primary Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Amadeus Primary Academies Trust.

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' Liability

Each Member of the multi-academy trust undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a Member, or within one year after they cease to be a Member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a Member.

Trustees' Indemnities

The Trustees had indemnity insurance in place during the year.

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 seem fit. The Members may appoint Staff Trustees. The Trustees delegate a number of functions to the Local Governing Body of each academy via a Scheme of Delegation.

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 Trustee.

Organisational Structure

The Trustees have delegated the day to day management of the Company to the Chief Executive Office supported by the Executive team who are considered to be the key management personnel. The Executive team comprised of the Trust Finance & Operations Director and the Headteacher of each of the six 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.

Arrangements 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 pupils and the nationally agreed pay scales. The pay and remuneration for other central staff such as the Finance & Operations Director are set in line with current business market rates and advice from 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 academy to be agreed by Trustees.

Objectives and Activities

Objects and Aims

The key strategies to achieve our objectives set out in the Trust's Strategic Plan have been:

1. Embedding the Trust Model for School Improvement to improve the effectiveness of our academies through focussed evaluation of key lines of enquiry and the impact of planned strategies in each academy.
2. Providing additional structured support programmes to academies rated C or lower in their annual evaluation from the CEO, Executive Leaders and the AIP, in proportion to need.
3. Developing the role of Executive leaders from our experienced heads through formal training and Trust wide responsibilities to promote collaborative convergence and increase our school improvement capacity.

Amadeus Primary Academies Trust
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Trustees' Report
For the Year Ended 31 August 2019

Objects and Aims (continued)

4. Developing Trust Curriculum Team meetings to support collaborative convergence and share best practice across the Trust.
5. Reviewing the wider Curriculum in each school and developing a common framework with Curriculum Leads which reflects the Trust values and builds on best practice in our academies.
6. Further developing Middle and Senior Leaders within the context of the Model for School Improvement by providing opportunities to work in other settings, lead improvement and refine their skills of evaluation to secure high-quality learning.
7. Reviewing the financial systems to ensure they provide timely financial planning, monitoring and reporting including accurate forecasting for future years.
8. Ensuring staffing structures in each Academy and in the Executive Team are affordable, sustainable and fit for purpose.
9. Reviewing the effectiveness of Finance, Audit, HR and Payroll and developing plans to centralise services where there is a clear case for improved efficiency and effectiveness.
10. Ensuring new Trustees to the Board have the capacity, time and skills to undertake the developing oversight role.
11. Reviewing Trust governance structures to ensure appropriate separation between roles at Member, Trustee and Local Governor level to ensure Trustees are able to make key strategic judgements in the interests of the wider Trust and to hold the Chief Executive to account.
12. Ensuring growth of the Trust is undertaken in an appropriate and sustainable manner building on shared values, commitment to the vision and when there is sufficient capacity.

Objectives, Strategies and Activities

The key activities this year to achieve our objectives have included growing the Trust to six schools by converting Castilion Primary and St Paul's Cray CE Primary Schools to Academies as part of the MAT, restructuring and developing the central team to provide more effective Finance and HR support for a larger Trust, developing new Executive Leader roles to strengthen Trust leadership capacity, refining and embedding the Model for School Improvement, implementing a new assessment system, reviewing Curriculum provision across the Trust in the light of the revised Ofsted Education Inspection Framework, reviewing Trust governance roles and recruiting new Trustees.

St Paul's Cray CE Primary School, Bromley converted to Academy status as part of the Trust on 1 March 2019 and Castilion Primary School, Bexley on 1 April 2019, growing the organisation to 6 primary schools and around 2500 students. Both schools expressed interest in joining previously and had been working closely with us for more than a year, ensuring embedded shared values, commitment to the vision and sufficient due diligence. The CEO worked closely with the LAs and Governing Bodies, and the Finance & Operations Director with support from the new central team ensured successful conversions in a very short time scale, including implementing new finance, HR and payroll systems.

Successful growth has supported the expansion of the central team to include an HR Manager and a Finance Manager providing improved Finance and HR support for all our schools as part of a larger Trust. This has included rolling out the new Finance, HR and payroll systems to our existing schools, which has been challenging but will provide more effective Trust oversight and greater efficiency by using PS systems that are genuinely MAT based rather than held individually in schools.

As part of the Strategic Plan, two of our most experienced heads have completed the National Professional Qualification for Executive Leaders (NPQEL) this year and we have developed new part-time Executive Leader roles to strengthen Trust leadership capacity. This is to use our most effective school improvement leaders across the Trust, to support the CEO in leading a larger Trust and to underpin future succession planning. We are establishing a new Trust Leadership Team with the Executive Leaders from September 2019 comprising the CEO, Finance & Operations Director, Head of School Improvement and Head of Learning Development.

We have refined and embedded the Model for School Improvement by improving the focus of the fortnightly leadership visits and regular learning walks to ensure improvement strategies are effectively implemented. This has been supported by termly visits from our external Academy Improvement Partner, additional support for our more vulnerable schools and half-termly meetings to discuss progress and challenges with the CEO.

As a result of issues identified with the way we have been using NFER assessments to support our own assessment system, we agreed to move over to PiXL assessment from the Summer Term, so that training and set up was completed and the first assessments in place prior to the end of the year. PiXL follows a very similar timetable to our current system making it a simpler transition. It also produces new termly assessments for each year group based on the balance and challenge of each year's National Curriculum Tests, detailed gap analysis for each pupil, teaching materials to support gaps and ladders of progression to help children make secure progress and deepen their learning.

Amadeus Primary Academies Trust
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Trustees' Report
For the Year Ended 31 August 2019

Objectives, Strategies and Activities (continued)

With the implementation of the new Ofsted Education Inspection Framework (EIF) and its focus on curriculum 'intent', 'implementation' and 'impact', we have established a Trust Curriculum Team who have reviewed curriculum provision across the Trust, evaluating the effectiveness of current schemes and practice. The Trust Principles of Curriculum and Assessment are being updated to provide a coherent framework of values and intent which will underpin the development of a relevant curriculum for each school context with common skills progression and assessment.

We have reviewed Trust governance roles to ensure there is clearer separation of responsibilities and accountabilities between Members, Trustees and Local Governing Bodies. We continue to have a majority of Corporate Church Members and Members will not be Trustees. We are also ensuring that no Chairs of Local Governing Bodies are Trustees.

We have actively sought to recruit new Trustees this year, particularly with experience and expertise in HR, Legal, Compliance and Education. Although we have recruited one new Trustee with a background of senior leadership in primary schools which strengthens the skills base we have been unsuccessful in other areas and this will remain a priority next year.

Public Benefit

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The 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". It also sets clear expectations, through its published aims, that 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 the families in the communities in the area served by the Academies.

Strategic Report

Achievements and Performance

Subject	National	Hillsgrove 2018	2019	Holy Trinity 2018	2019	Old Bexley 2018	2019	St Paulinus 2018	2019	Castilion 2018	2019	St Paul's Cray 2018	2019
Attainment:													
EYFS GLD	72	78	86	82	79	83	78	87	73	78	69	68	59
Y1 PHONICS	82	93	86	90	76	90	87	87	89	88	85	83	68
Y2 PHONICS	92	98	93	95	93	98	93	100	97	91	90	93	94
Y2 Reading EX	75	87	83	77	65	93	81	90	80	68	71	80	74
Y2 Writing EX	70	77	79	72	49	90	81	83	73	70	63	63	68
Y2 Maths EX	76	87	81	77	67	92	81	83	83	73	68	67	76
Y2 EGPS EX	-	88	88	62	66	77	77	83	73	79	76	67	66
Y2 RWM EX	66	75	77	65	42	88	75	80	73	62	69	60	66
Y2 Reading GD	26	37	30	27	18	45	30	33	23	20	17	23	21
Y2 Writing GD	16	28	21	20	0	32	25	27	30	13	5	17	18
Y2 Maths GD	22	35	27	25	16	43	30	33	23	11	12	20	24
Y2 EGPS GD	-	52	37	36	13	37	24	40	33	36	45	30	29
Y2 RWM GD	-	22	18	10	0	29	24	23	17	6	5	17	11
Y6 Reading EX	75	86	89	85	70	88	77	97	100	81	75	55	55
Y6 Writing EX	78	86	90	86	75	97	91	100	100	82	79	76	70
Y6 Maths EX	79	93	87	78	78	91	84	100	93	74	79	55	80
Y6 EGPS EX	77	89	93	84	75	84	80	93	100	84	86	66	70
Y6 RWM EX	65	76	84	73	65	82	72	93	93	68	69	52	55

Amadeus Primary Academies Trust
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Trustees' Report
For the Year Ended 31 August 2019

Achievements and Performance (continued)

Y6 Reading GD	27	35	46	42	37	40	36	33	40	19	46	21	30
Y6 Writing GD	20	35	34	30	37	37	24	23	30	14	3	31	10
Y6 Maths GD	27	42	48	24	32	39	40	30	40	28	21	24	20
Y6 EGPS GD	31	53	62	37	37	42	48	40	57	42	45	24	25
Y6 RWM GD	11	20	26	17	13	25	14	13	13	5	2	14	10
Progress:													
Y6 Reading	-	1.3	0.2	2.7	2.0	-2.5	-3.0	1.7	2.1	-2.46	-1.0	-0.9	-0.6
Y6 Writing	-	1.0	-0.2	1.9	1.8	-1.2	-2.3	1.0	1.2	-1.91	-4.0	+1.8	-2.1
Y6 Maths	-	2.6	0.0	1.0	1.1	-1.7	-2.4	0.8	0.3	-1.35	-2.5	-0.9	0.4

Overall the performance of our Trust Schools continues to be secure with schools showing further improvements in many areas since last year.

The EYFS good level of development at the end of reception shows 4 schools are above the national average of 72%; Hillsgrove 86%, Old Bexley 78%, Holy Trinity 79% and St Paulinus 73%, however Castilion at 69% and St Paul's Cray at 59% are below.

In Yr1 Phonics, 4 schools are also above the national average of 82%; Hillsgrove 86%, Old Bexley 87%, St Paulinus 89% and Castilion 85%, however Holy Trinity 76% and St Paul's Cray 68% were below. By the end of Yr2 the majority of children in all schools have met the standard in Phonics; Hillsgrove 93%, Holy Trinity 93%, St Paulinus 97%, St Paul's Cray 94%, Castilion 90% and Old Bexley 93%.

At KS1 5 schools are at or above the national average for the expected standard in combined Reading, Writing and Maths; Old Bexley 75%, St Paulinus 73%, Hillsgrove 77%, Castilion 69% and St Paul's Cray 66%, however Holy Trinity were below National at 42%. Children working at Greater Depth in the combined subjects were Old Bexley 25%, Hillsgrove 18%, Holy Trinity 0%, Castilion 5%, St Paul's Cray 11% and St Paulinus 17%.

At KS2, the floor standard and coasting measures were removed in 2019. Schools generally saw an improvement in achieving the "Secondary Ready" measure with all exceeding the national average of 65% excluding St Paul's Cray at 55%. St Paulinus achieved 93%, Old Bexley 72%, Hillsgrove 84%, Holy Trinity 65% and Castilion 69%. Children achieving the Expected Standard was highest in Reading at St Paulinus 100%, Writing at St Paulinus 100%, Maths at St Paulinus 93% and GPS at St Paulinus 100% Attainment at Greater Depth in Reading, Writing and Maths combined was also above the national average in 5 schools, Old Bexley 14%, Hillsgrove 26%, Holy Trinity 13% and St Paulinus 13%, however it was below at St Paul's Cray at 11% and Castilion 2%. Greater Depth was highest in Reading at Hillsgrove and Castilion 44%, Writing at Holy Trinity 37%, Maths at Hillsgrove 48% and GPS at Hillsgrove 62%.

Progress from KS1 to KS2 was above national averages in all subjects at Holy Trinity and St Paulinus, however progress was well below national averages at Old Bexley and Castilion in Reading, writing and Maths and particularly low in Writing at St Paul's Cray.

All schools have areas where both progress and attainment can be improved, and this forms the key focus for our School Development Plans and monitoring for the coming year. Our focus as a Trust needs to be on securing improved Progress at KS2, ensuring all of our Schools achieve good outcomes at KS1, and focussing on specific strategies to support schools where specific subjects or groups need additional support, especially Middle Prior Attainers at Old Bexley. We also need to improve Writing across all schools particularly at Greater Depth through consistent accurate assessment and staff training.

Further joint training, assessment teams, moderation development and cross school support as well as renewed focus on strengthened Trust Learning Reviews are supporting teachers in embedding the Trust Principles of Teaching and Learning and the PiXL assessment system to ensure a refined focus on closing gaps through quality first teaching and early intervention.

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

Pupil numbers, Nursery numbers, Teachers FTE, Other Staff FTE, Staffing costs as a % of Total Income, Staffing costs as a % of Expenditure, Pupil absence, Pupil persistent absence, Pupil exclusions, Staff vacancies, Pupil/Teacher ratio, Safeguarding and Health & Safety incidents.

Amadeus Primary Academies Trust
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Trustees' Report
For the Year Ended 31 August 2019

Financial Review

Most of the multi-academy trust's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities ("SoFA"). Core grant income has been supplemented by capital funding and various other self-generated income streams.

The Statement of Financial Activities (SoFA) reports incoming resources of £17.1m for 2018/19, up from £9.3m in 2017/18. The increase in total income is predominantly due to the expansion of the multi-academy trust during the year:

- As explained in accounting policy 1.11 and note 27 two state maintained schools joined the multi-academy trust when they converted to academy status and this involved the transfer of identifiable assets and liabilities in addition to the operation of the schools themselves. In accordance with standard practice the transfers were for a £nil consideration but the substance was that gifts had occurred from the Local Authority and the SoFA therefore includes the fair value donation of £6.1m. The value largely relates to the value of the Castilion Primary School buildings. The value of the land and buildings of the other joiner academy, St Paul's Cray CofE School, are not included in the Balance Sheet as explained in accounting policy 1.6.
- The two new academies joined on 1 March and 1 April respectively and so the SoFA includes six and five months' operating income for these two new schools which amounts to around £1.8m.

The current year includes capital grant income of £518k less than the £999k in 2017/18. Much of this capital income relates to Conditional Improvement Funding received for specific capital projects.

Excluding capital income and inherited amounts, the multi-academy trust's income for 2018/19 amounted to £10.4m compared to £8.3m in 2017/18 and as noted above most of this increase arose due to the trust's expansion to six academies.

The incoming resources for the year have been sufficient to cover total resources expended of £12.0m (2018: £9.2m) resulting in net income for the year of £5.1m (2018: £57k). The overall net movement in funds, after actuarial movements on the Local Government defined benefit pension scheme ("LGPS"), was an increase of £3.9m (2018: £548k). This overall movement in funds does not reflect the meaningful operational result and includes items that do not relate to day-to-day running of the multi-academy trust's academies, some of which are referred to above.

Excluding movements on tangible fixed assets, the LGPS defined benefit pension liability, inherited balances and revenue to capital transfers the multi-academy trust has an operational surplus on revenue funds for the year of £104k (2018: £2k), as reconciled from the SoFA below:

	2019 (£000s)	2018 (£000s)
Overall net movement in funds for the year per SoFA	3,865	548
Add:		
Decrease / (increase) attributable to fixed asset fund	(6,614)	(287)
Inherited balances on revenue funds	(311)	-
LGPS inherited balances	1,129	-
LGPS actuarial (gain)/loss	1,270	(491)
LGPS service and interest costs	764	174
Total movement in year on revenue funds	103	(56)
Revenue to capital transfers	1	58
Operational surplus /(deficit) on revenue funds	104	2

At 31 August 2019, the net book value of fixed assets was £12.8m and movements in tangible fixed assets are shown in note 18 to the financial statements. During the year the assets were used almost exclusively for providing education and the associated support services to the pupils of the academies, the only exceptions to this being limited letting of the premises to local community groups.

Financial position

The multi-academy trust held fund balances at 31 August 2019 of £8.9m (2018: £5.0m). These funds included restricted fixed asset funds of £13.0m (2018: £6.3m) and revenue reserves of £745k (2018: £331k) split across restricted and unrestricted funds.

The only fund in deficit was the LGPS pension reserve of £4.8m (2018: £1.6m). The increase in this reserve during the year has arisen because of the actuarial loss that occurred in the financial year along with the other pension current service and finance costs. The deficit is not a concern and does not mean that an immediate liability crystallises. It can be described as an accounting deficit which has no direct effect on the employer contribution rate paid by the school, which is determined using longer-term funding assumptions. These contribution rates are reviewed every three years in consultation with the scheme's administrators, and current employer contributions due by the multi-academy trust are fixed until 1 April 2020.

Amadeus Primary Academies Trust
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Trustees' Report
For the Year Ended 31 August 2019

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Reserves Policy

The Trustees review the reserve levels at every meeting with Audit & Risk. If a concern is raised through the year the Chief Executive Officer ensures that this is discussed at Audit & Risk committee of Board as appropriate. The review takes in to consideration the current position and the projected forecast impact to future reserves. The expectation is that the 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 have been advised to consider different decision as staff leave. This could include recruiting less experienced staff or making the decision not to replace staff as they leave. Trustees have as part a review following the 2018 agreed to move to a more centralised operational function over time which will support the reduction of staff in school.

Investment Policy

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

During the financial year 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 £47 (2018: £46) was recorded as investment income. The value of the investment at the date was £1.4k.

Principal Risks and Uncertainties

The Trust places considerable reliance on the continued government funding at levels that take account of the pay and pension funding changes in the public sector and general inflation. 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 school. A report on safeguarding for each school is submitted to the Board through the committee structure.

The educational performance of each school in the Trust is reported to the Board through the Joint Standards Committee, including a summary of academic results, school improvement progress reports and external school progress advisor reports.

The financial and regularity controls were reviewed through the work of the Finance & Operations Director and meetings of the CEO and Finance & Operations Director with the Headteachers.

UHY Hacker Young were engaged to complete an internal audit supplementary to their external audit service.

Fundraising

The Parent Teacher Associations (PTA) for each school raise fund and make donations in the year. The donations and expenditure relating to the PTA are shown within unrestricted funds.

Plans for Future Periods

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 for 2018-21 are:

1. Embed a consistent, highly effective Model for School Improvement to ensure all our Academies deliver the best outcomes for their children and become outstanding centres of learning.
2. Develop our best school improvement leaders across the Trust to strengthen our capacity through strong partnerships, clear responsibilities and accountabilities, to support and develop highly effective leadership in every Academy.
3. Develop a wider Curriculum framework which reflects the Trust values and is relevant for all our children including clear expectations for learning, shared planning, assessment and moderation across all subject areas.
4. Develop a shared policy for staff recruitment, retention, training and career progression to ensure the security of an outstanding workforce and highly effective leadership for the future.

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Trustees' Report
For the Year Ended 31 August 2019

Plans for Future Periods (continued)

5. Ensure the financial probity and sustainability of the Trust and each of its academies by reviewing operational structures including finance and HR, changing ineffective systems, strengthening consistency of procedures and centralising functions where appropriate as the Trust grows.
6. Develop the Trust Board and delegated local governance further by reviewing the range of skills, recruiting new Trustees and local governors with appropriate experience, strengthening the separation of accountabilities to ensure the Trust can fulfil its responsibilities effectively in the context of growth towards a MAT of 8 to 10 academies.
7. Continue to maintain and improve our buildings to ensure that the communities we serve have the best facilities in our area.

We remain committed to working openly and collaboratively with other trusts, schools and governing bodies in the locality and the Diocese of Rochester to support the growth of new Trusts and to work with other schools who may be interested in joining our Trust in the future

Disclosure of information to Auditors

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.


Auditors

The auditors, UHY Hacker Young, have indicated their willingness to remain in office, and the audit process will be reviewed in detail and re-appointment of the auditors will be considered in due course.

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



Mr. P. Allen
Chair of Trustees



Mr. P. Wilson
Accounting Officer

Date: 18 December 2019

Amadeus Primary Academies Trust
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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. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Paul Allen (Chair)	2	3
Mr John Simms (Vice Chair)	3	3
Mr Peter Wilson	3	3
Mrs Ida Marcia Philbin	3	3
Revd Philip Wells (resigned)	1	1
Revd Dr Julie Bowen (resigned)	3	3
Mrs Janice Collins	2	2

The Trustees cover a broad range of skills and experience that are appropriate for the Trust to fulfil its responsibilities. The experience included clergy, business, banking and finance, HR and facilities management.

There have been two resignations in the 2018/19-year, Revd Philip Wells has relocated and Revd Dr Julie Bowen has retained the position of LGB Chair at one of the Amadeus schools.

We have reviewed Trust governance roles to ensure there is clearer separation of responsibilities and accountabilities between Members, Trustees and Local Governing Bodies. We continue to have a majority of Corporate Church Members and Members will not be Trustees. We are also ensuring that no Chairs of Local Governing Bodies are Trustees.

We have actively sought to recruit new Trustees this year, particularly with experience and expertise in HR, Legal, Compliance and Education. Although we have recruited one new Trustee with a background of senior leadership in primary schools which strengthens the skills base we have been unsuccessful in other areas and this will remain a priority next year.

The Joint Standards Committee 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 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 year was as follows:

Trustee	Meetings attended	Out of a possible
Mr Paul Allen	2	2
Mr Peter Wilson	2	2
Revd Philip Wells	1	1
Revd Dr Julie Bowen	2	2
Mrs Janice Collins	1	1

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 to any organisational risk which may 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 Office to ensure he satisfies his duty as accounting officer.

Amadeus Primary Academies Trust
(A company limited by guarantee)

Governance Statement

Governance (continued)

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 report to sustain the integrity of the financial and risk management systems.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr John Simms (Chair)	3	3
Mr Paul Allen	3	3
Mrs Ida Marcia Philbin	2	3
Mr Peter Wilson	3	3

Review of Value for Money

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

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

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed UHY Hacker Young, the external auditors, to perform additional checks.

Amadeus Primary Academies Trust
(A company limited by guarantee)

Governance Statement

The auditors' role includes giving advice on financial matters and performing a range of checks on the multi-academy trust's financial systems. On a bi-annual basis, the audit company report to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

During the year ended 31 August 2019, the internal audit work has been delivered as planned and no material control issues have arisen. Matters which have been brought to our attention have been dealt with in a timely manner.

Review of Effectiveness

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


- The work of the external auditors
- The financial management and governance self-assessment process
- The work of the executive managers within the multi-academy 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 FARCO and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by the board of trustees and signed on their behalf, by:



Mr. P. Allen
Chair of Trustees



Mr. P. Wilson
Accounting Officer

Date: 18 December 2019

Amadeus Primary Academies Trust
(A company limited by guarantee)

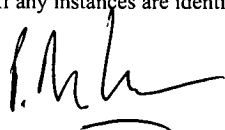
Statement on Regularity, Propriety and Compliance

As accounting officer of Amadeus Primary Academies Trust I have considered my responsibility to notify the multi-academy trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the multi-academy trust, under the funding agreement in place between the multi-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 2018.

I confirm that I and the multi-academy trust board of Trustees are able to identify any material irregular or improper use of all funds by the multi-academy trust, or material non-compliance with the terms and conditions of funding under the multi-academy trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. I am, however, aware that the multi-academy trust has not fully complied with the Academies Financial Handbook in respect of the requirement to prepare monthly management accounts setting out financial performance and position, and to share these with the Chair of Trustees. The trust is in a healthy financial position, as has been confirmed in these year end statutory financial statements, and action has already been taken to improve the level of financial information produced each month.

If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA.



Mr P. Wilson
Accounting Officer

Date: 18 December 2019

Amadeus Primary Academies Trust
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the year ended 31 August 2019

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

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

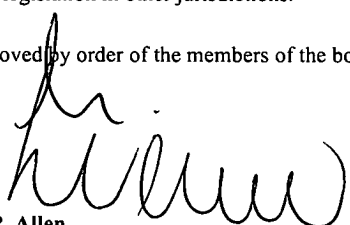
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of Trustees and signed on its behalf by:



Mr P. Allen
Chair of Trustees

Date: 18 December 2019

Independent Auditors' Report on the financial statements to the Members of Amadeus Primary Academies Trust

Opinion

We have audited the financial statements of Amadeus Primary Academies Trust (the 'multi-academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the multi-academy trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Independent Auditors' Report on the financial statements to the Members of Amadeus Primary Academies Trust (continued)

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Allan Hickie BSc FCA (Senior statutory auditor)
for and on behalf of
UHY Kent LLP
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: 19 December 2019

Independent Reporting Accountant's Assurance Report on Regularity to Amadeus Primary Academies Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 8 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 year 1 September 2018 to 31 August 2019 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 ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Amadeus Primary Academies Trust and ESFA, 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 27 August 2015 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to arrive at our conclusion. Other than those procedures undertaken for the purposes of our audit of the financial statements of Amadeus Primary Academies Trust for the year ended 31 August 2019 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

The work undertaken to draw to our conclusion included:

- an assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

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 & Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention, other than the matters described by the Accounting Officer in his statement on regularity and propriety, which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Kent LLP

UHY Kent LLP
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: *19 December 2019*

Amadeus Primary Academies Trust
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 August 2019

		Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
	Note					
Income from:						
Donations and capital grants:	3					
Transfer from local authority on conversion		311	(1,129)	6,957	6,139	-
Other donations and capital grants		95	-	526	621	1,112
Charitable activities:	4					
Educational operations		230	10,026	-	10,256	8,150
Other trading activities	5	81	-	-	81	53
Investments	6	3	-	-	3	-
Total income		720	8,897	7,483	17,100	9,315
Expenditure on:						
Raising funds	8	5	-	-	5	9
Charitable activities	10	226	10,864	870	11,960	9,249
Total expenditure		231	10,864	870	11,965	9,258
Net income/(expenditure)		489	(1,967)	6,613	5,135	57
Transfers between funds	22	(220)	219	1	-	-
Net movement in funds before other recognised gains/(losses)		269	(1,748)	6,614	5,135	57
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	28	-	(1,270)	-	(1,270)	491
Net movement in funds		269	(3,018)	6,614	3,865	548
Reconciliation of funds:						
Total funds brought forward		304	(1,601)	6,337	5,040	4,492
Net movement in funds		269	(3,018)	6,614	3,865	548
Total funds carried forward	22	573	(4,619)	12,951	8,905	5,040

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

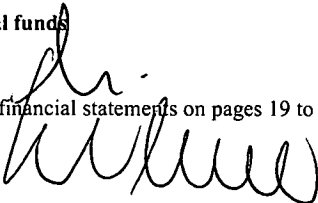
The notes on pages 22 to 48 form part of these financial statements.

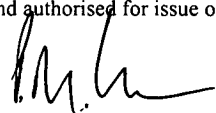
Amadeus Primary Academies Trust
(A company limited by guarantee)
Registered number: 09662313

Balance Sheet
As at 31 August 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	18	12,841	6,105
Current assets			
Debtors	19	531	593
Cash at bank and in hand		1,399	886
		<u>1,930</u>	<u>1,479</u>
Creditors: amounts falling due within one year	20	(1,066)	(916)
Net current assets		<u>864</u>	<u>563</u>
Total assets less current liabilities		<u>13,705</u>	<u>6,668</u>
Creditors: amounts falling due after more than one year	21	(9)	-
Net assets excluding pension liability		<u>13,696</u>	<u>6,668</u>
Defined benefit pension scheme liability	28	(4,791)	(1,628)
Total net assets		<u><u>8,905</u></u>	<u><u>5,040</u></u>
Funds of the multi-academy trust			
Restricted funds:			
Fixed asset funds	22	12,951	6,337
Restricted income funds	22	172	27
		<u>13,123</u>	<u>6,364</u>
Restricted funds excluding pension asset	22	(4,791)	(1,628)
Total restricted funds	22	<u>8,332</u>	<u>4,736</u>
Unrestricted income funds	22	<u>573</u>	<u>304</u>
Total funds		<u><u>8,905</u></u>	<u><u>5,040</u></u>

The financial statements on pages 19 to 48 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:


Mr P. Allen
Chair of Trustees


Mr P. Wilson
Chief Executive Officer and Accounting Officer

Date: 18 December 2019

The notes on pages 22 to 48 form part of these financial statements.

Amadeus Primary Academies Trust
(A company limited by guarantee)

Statement of Cash Flows
For the year ended 31 August 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Net cash used in operating activities	24	(304)	(371)
Cash flows from investing activities	25	817	442
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		513	71
Cash and cash equivalents at the beginning of the year		886	815
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	26	<u>1,399</u>	<u>886</u>

The notes on pages 22 to 48 form part of these financial statements

Notes to the Financial Statements
For the year ended 31 August 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the multi-academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Income

All incoming resources are recognised when the multi-academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the multi-academy trust has provided the goods or services.

- **Transfer on conversion**

Where assets and liabilities are received by the multi-academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the multi-academy trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

Notes to the Financial Statements
For the year ended 31 August 2019

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

- **Expenditure on raising funds**

This includes all expenditure incurred by the multi-academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable activities**

These are costs incurred on the multi-academy trust's educational operations, including support costs and costs relating to the governance of the multi-academy trust apportioned to charitable activities.

- **Grants payable**

These are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the multi-academy trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Tangible fixed assets

Individual assets costing £5,000 or more, or group purchase on one order with a total value of £7,000 or more, are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities 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.

Four of the multi-academy trust's academies operate from land and buildings of which the freehold is owned by the local Diocese. The properties are occupied under the terms of a Church Supplemental Agreement with the freehold owners. In considering the accounting treatment of these properties the trustees have considered the provisions of the Academies Accounts Direction (AAD) which clarifies that where a Supplemental Agreement is in place then the trust does not have full rights or control, such that any asset should not be recognised on the Balance Sheet.

Per the AAD the rolling right to occupy the building could be recognised in the financial statements via a notional donation (since it pays no actual rent) with a corresponding notional rent expense for its use of the premises. The value of the donation would be the amount that the academy trust would otherwise have had to pay to secure the premises. However, since the trustees feel that this cannot be reliably measured, and in accordance with the AAD, no donation or rental expense have been recognised.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Notes to the Financial Statements
For the year ended 31 August 2019

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

The estimated useful lives are as follows:

Long-term leasehold property	- 17 - 47 years
Furniture and equipment	- 10 years
Computer equipment	- 7 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

1.7 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 19. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 20 and 21. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.8 Operating leases

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

1.9 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the multi-academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the multi-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 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.

Notes to the Financial Statements
For the year ended 31 August 2019

1. Accounting policies (continued)

1.9 Pensions (continued)

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

1.10 Fund accounting

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

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

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

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

1.11 Conversion to academy status

During the year two state maintained schools converted to academy status and joining the multi-academy trust. The conversion from a state maintained school to an academy involves 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 the predecessor schools 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 and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 27.

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

For 2018-19 there have been some specific issues which have impacted on the actuarial assumptions and closing pension scheme liability of all LGPS employers:

Notes to the Financial Statements
For the year ended 31 August 2019

2. Critical accounting estimates and areas of judgment (continued)

(1) **The "McCloud/Sargeant judgement".** This relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements. Actuarial evidence suggested that the impact of making an allowance for this judgement would be material, and so the academy trust asked the actuary to make an allowance in the figures.

In order to quantify the constructive obligation the actuary has made calculations using an approximate approach. One critical assumption under this method is that salaries will increase at least CPI plus 1.5%. Further, the approximate approach does not take into account the specific age profile of the employer's pension scheme members.

The impact of McCloud/Sargeant has been to increase the constructive obligation at 31 August 2019. This is reflected as a past service cost, within staff costs, and detailed in note 28, of £522k.

There will also be an increase in the cost of benefits from 1 September 2019.

(2) **Guaranteed Minimum Pension (GMP).** GMP is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs between genders is required. As a result of an on-going debate on how this impacts on public service pension schemes, there has been national debate about the point at which a past service cost is triggered. Briefing notes provided by the actuary have indicated that a 'trigger event' is yet to occur for the LGPS and so no allowance has been made for GMP in the LGPS liability included within these financial statements. It is, in any case, considered likely that any impact would be immaterial.

(3) **Discount rates.** There has been a change in financial assumptions over the period, including the discount rate. The discount rate has been reduced significantly which has resulted in a less positive balance sheet position than if the discount rate at the start of the period had been used. The impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

(4) **Mortality assumptions.** Details of the changes in mortality assumptions are shown in note 28. The actuary calculations use a model prepared by the Continuous Mortality Investigation (CMI) which is updated on an annual basis, incorporating the latest mortality data in the national population. This year the mortality assumptions use an updated CMI model which now anticipates a significant reduction in projected life expectancies. The lower life expectancy assumptions result in a more positive balance sheet position than if the mortality rates at the start of the period had been used, and the impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

3. Income from donations and capital grants

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Donations					
Transfer from local authority on conversion	311	(1,129)	6,957	6,139	-
Donations	95	-	8	103	113
Capital grants	-	-	518	518	999
	<u>406</u>	<u>(1,129)</u>	<u>7,483</u>	<u>6,760</u>	<u>1,112</u>
<i>Analysis of total by fund 2018</i>	<u>113</u>	<u>-</u>	<u>999</u>	<u>1,112</u>	

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For the year ended 31 August 2019

4. Funding for the multi-academy trust's educational operations

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	7,985	7,985	6,624
Other DfE/ESFA grants	-	936	936	635
	-	8,921	8,921	7,259
Other government grants				
Local authority grants	-	589	589	334
Local authority - Special educational projects	-	332	332	270
	-	921	921	604
Other income from the academy trust's educational operations				
Educational trips	169	-	169	80
Catering income	-	182	182	175
Other income	61	-	61	32
Notional apprenticeship levy income	-	2	2	-
	230	184	414	287
	230	10,026	10,256	8,150
<i>Analysis of total by fund 2018</i>	112	8,038	8,150	

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5. Income from other trading activities

	Unrestricted funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Income from facilities and services	34	34	27
Catering income	9	9	7
Insurance claims	29	29	12
Nursery fees	9	9	7
	<u>81</u>	<u>81</u>	<u>53</u>

All income from other trading activities was unrestricted in 2018.

6. Investment income

	Unrestricted funds 2019 £000	Total funds 2019 £000
Bank interest	3	3

All investment income was unrestricted in 2018.

7. Expenditure

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000	<i>Total 2018 £000</i>
Expenditure on fundraising trading activities:					
Direct costs	-	-	5	5	9
Funding for the multi-academy trust's educational operations:					
Direct costs	7,041	241	865	8,147	6,410
Support costs	1,810	647	802	3,259	2,224
	<u>8,851</u>	<u>888</u>	<u>1,672</u>	<u>11,411</u>	<u>8,643</u>
<i>Total 2018</i>	<u>6,514</u>	<u>762</u>	<u>1,367</u>	<u>8,643</u>	

Notes to the Financial Statements
For the year ended 31 August 2019

8. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Learning resources	5	5	9

All fundraising trading expenses was unrestricted in 2018.

9. Analysis of grants

	Grants to Institutions 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Improvements to Diocese property occupied by the multi-academy trust	554	554	614
<i>Analysis of total by type 2018</i>	614	614	

These costs represent capital natured improvement expenditure incurred at the trust's Church of England academies. As noted in accounting policy 1.6 the school building are not reflected on the balance sheet and so, in accordance with the Academies Accounts Direction, associated improvement works are treated as a revenue expense for the year as a grant to the Diocese which owns the buildings.

This expenditure is funded by the ESFA's devolved formula capital and condition improvement funding grants.

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Notes to the Financial Statements
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10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Funding for the multi-academy trust's educational operations	226	11,734	11,960	9,249
<i>Analysis of total by fund 2018</i>	208	9,041	9,249	

11. Analysis of expenditure by activities

	Direct costs 2019 £000	Grant funding of activities 2019 £000	Support costs 2019 £000	Total funds 2019 £000	Total funds 2018 £000
The multi-academy trust's educational operations	8,147	554	3,259	11,960	9,248
<i>Analysis of total by type 2018</i>	6,410	614	2,224	9,248	

See note 9 for details of grant funding expenditure.

Analysis of direct costs

	Total funds 2019 £000	Total funds 2018 £000
Staff costs	7,041	5,609
Depreciation	240	136
Staff expenses	72	51
Educational supplies	289	250
Staff related insurance	13	20
Technology costs	152	88
Educational consultancy	140	81
Other direct costs	199	175
	8,147	6,410

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Notes to the Financial Statements
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11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Staff costs	1,810	905
Technology costs	47	29
Maintenance of premises	300	333
Cleaning and caretaking	142	120
Rates	76	66
Energy	125	104
Security	4	3
Operating lease rentals	12	6
Catering	464	413
Legal and professional fees	91	63
Governance costs	30	19
Other support costs	158	163
	<u>3,259</u>	<u>2,224</u>

12. Analysis of specific expenses

Included within expenditure are the following transactions:

	Total £000
Gifts made by the trust	1

13. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £000	<i>2018 £000</i>
Operating lease rentals	25	28
Depreciation of tangible fixed assets	241	136
Fees paid to auditors for:		
- audit	14	12
- other services	10	4
	<u>270</u>	<u>170</u>

Notes to the Financial Statements
For the year ended 31 August 2019

14. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £000	2018 £000
Wages and salaries	6,137	4,733
Social security costs	524	437
Pension costs	1,825	998
	<u>8,486</u>	<u>6,168</u>
Agency staff costs	365	346
	<u>8,851</u>	<u>6,514</u>

b. Staff numbers

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

	2019 No.	2018 No.
Leadership	18	16
Teachers	126	90
Administration and support	185	117
	<u>329</u>	<u>223</u>

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Leadership	17	15
Teachers	99	70
Administration and support	110	54
	<u>226</u>	<u>139</u>

Notes to the Financial Statements
For the year ended 31 August 2019

14. Staff costs (continued)

c. Higher paid staff

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

	2019	<i>2018</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	2	4
In the band £70,001 - £80,000	2	1
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
	<u> </u>	<u> </u>

d. Key management personnel

The key management personnel of the multi-academy trust comprises the staff trustees and senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the multi-academy trust was £614,831 (2018: £548,036).

15. Central services

The multi-academy trust has provided the following central services to its academies during the year:

- Central team
- Audit and assurance
- Human resources consultancy and administration
- Legal, governance and other consultancy
- Strategical direction and interventions
- Procurement expertise

The multi-academy trust charges for these services on the following basis:

Each academy pays a 'top slice' of their General Annual Grant (GAG) income to the multi-academy trust's central services fund. This payment is at a set percentage of GAG which is reviewed and agreed annually. The top slice percentage is reduced for new academies joining the multi-academy trust part way through the year.

The actual amounts charged during the year were as follows:

	2019	<i>2018</i>
	£000	<i>£000</i>
Castilion Primary School	28	-
Hillsgrove Primary School	61	55
Holy Trinity Lamorbey CoE School	59	55
Old Bexley CoE School	109	102
St Paulinus CoE Primary School	34	29
St Paul's Cray CoE Primary School	31	-
	<u> </u>	<u> </u>
Total	322	<i>241</i>
	<u> </u>	<u> </u>

Notes to the Financial Statements
For the year ended 31 August 2019

16. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the multi-academy trust. The Chief Executive Officer and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019	2018
		£000	£000
Mr P. Wilson, Chief Executive Officer	Remuneration	105 - 110	95 - 100
	Pension contributions paid	15 - 20	15 - 20

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £nil).

17. Trustees' and Officers' insurance

In accordance with normal commercial practice, the multi-academy trust 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 £2,000,000 on any one claim. The cost for the year ended 31 August 2019 was included with the main insurance cover (2018 - £1,064). The cost of this insurance is included in the total insurance cost.

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18. Tangible fixed assets

	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 September 2018	6,547	55	-	6,602
Additions	-	-	19	19
Inherited on conversion	6,957	-	-	6,957
At 31 August 2019	13,504	55	19	13,578
Depreciation				
At 1 September 2018	497	-	-	497
Charge for the year	234	6	-	240
At 31 August 2019	731	6	-	737
Net book value				
At 31 August 2019	12,773	49	19	12,841
At 31 August 2018	6,050	55	-	6,105

Included in the net book value of property displayed above are the following amounts ascribable to land:

	2019 £000	2018 £000
Long-term leasehold land	4,647	2,128

19. Debtors

	2019 £000	2018 £000
Due within one year		
Trade debtors	1	-
Other debtors	95	257
Prepayments and accrued income	435	336
	531	593

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20. Creditors: Amounts falling due within one year

	2019	2018
	£000	£000
Trade creditors	8	1
Other taxation and social security	159	108
Other creditors	178	104
Accruals and deferred income	721	703
	<u>1,066</u>	<u>916</u>
	2019	2018
	£000	£000
Deferred income at 1 September 2018	231	167
Resources deferred during the year	322	231
Amounts released from previous periods	(231)	(167)
	<u>322</u>	<u>231</u>

At the balance sheet date the multi-academy trust was holding funds received in advance for Universal Infant Free School Meals, Rates and School trips.

21. Creditors: Amounts falling due after more than one year

	2019	2018
	£000	£000
Other creditors	9	-
	<u>9</u>	<u>-</u>

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Notes to the Financial Statements
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22. Statement of funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
General funds	304	720	(231)	(220)	-	573
Restricted general funds						
General Annual Grant (GAG)	22	7,985	(8,043)	192	-	156
Other DfE	5	936	(925)	-	-	16
Other government	-	923	(923)	-	-	-
Other restricted	-	182	(209)	27	-	-
Pension reserve	(1,628)	(1,129)	(764)	-	(1,270)	(4,791)
	(1,601)	8,897	(10,864)	219	(1,270)	(4,619)
Restricted fixed asset funds						
Fixed asset	6,105	-	(240)	6,976	-	12,841
Capital grant	232	526	(630)	(18)	-	110
Inherited asset	-	6,957	-	(6,957)	-	-
	6,337	7,483	(870)	1	-	12,951
Total Restricted funds	4,736	16,380	(11,734)	220	(1,270)	8,332
Total funds	5,040	17,100	(11,965)	-	(1,270)	8,905

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

- (i) General Annual Grant "GAG" must be used for the normal running costs of the multi-academy trust's academies.
- (ii) The Other DfE/ESFA grants fund is used to track non-GAG grants provided by the DfE and related bodies.
- (iii) The Other government grants fund is used to track grants provided by the local authority and other government departments.
- (iv) The Pension reserve is a restricted fund to account for the liability arising under the Local Government Pension Scheme.
- (v) The Restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward and the current fixed assets held. The transfers into this fund represent capital items purchases during the year from revenue reserves.

Under the funding agreement with the Secretary of State, the multi-academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Notes to the Financial Statements
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22. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £000	2018 £000
Castilion Primary School	81	-
Hillsgrove Primary School	165	94
Holy Trinity Lamorbey CoE School	50	92
Old Bexley CoE School	24	87
St Paulinus CoE Primary School	(2)	(10)
St Paul's Cray CoE Primary School	345	-
Central services	82	68
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	745	331
Restricted fixed asset fund	12,951	6,337
Pension reserve	(4,791)	(1,628)
	<hr/>	<hr/>
Total	8,905	5,040
	<hr/>	<hr/>

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit £000
St Paulinus CoE Primary School	(3)
	<hr/>

An overall deficit materialised at St Paulinus CoE Primary School in the year ended 31 August 2017. The overall deficit has since reduced due to tight management of the budget by the Headteacher.

The multi-academy trust is taking the following action to return the academy to surplus:

The Headteacher with support from Central services continues to review staffing structures and budget savings.

Notes to the Financial Statements
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22. Statement of funds (continued)

Total cost analysis by academy

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 2019 £000	Total 2018 £000
Castilion Primary School	599	81	11	139	830	-
Hillsgrove Primary School	1,392	145	51	351	1,939	1,922
Holy Trinity Lamorbey CoE School	1,275	198	48	491	2,012	2,084
Old Bexley CoE School	2,434	247	118	1,206	4,005	3,492
St Paulinus CoE Primary School	605	140	31	202	978	1,376
St Paul's Cray CoE Primary School	596	95	29	107	827	-
Central services	140	904	1	89	1,134	248
Multi-academy trust	7,041	1,810	289	2,585	11,725	9,122

The Central services other support staff costs includes the non-actuarial LGPS charges for the year of £764,000.

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22. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	<i>Balance at 1 September 2017 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2018 £000</i>
Unrestricted funds						
General funds	285	278	(217)	(42)	-	304
Restricted general funds						
General Annual Grant (GAG)	47	6,624	(6,627)	(22)	-	22
Other DfE	-	635	(630)	-	-	5
Other government	-	604	(610)	6	-	-
Other restricted	55	175	(230)	-	-	-
Pension reserve	(1,945)	-	(174)	-	491	(1,628)
	(1,843)	8,038	(8,271)	(16)	491	(1,601)
Restricted fixed asset funds						
Fixed asset	5,684	-	(136)	557	-	6,105
Capital grant	366	999	(634)	(499)	-	232
	6,050	999	(770)	58	-	6,337
Total Restricted funds	4,207	9,037	(9,041)	42	491	4,736
Total funds	4,492	9,315	(9,258)	-	491	5,040

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23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	12,841	12,841
Current assets	626	1,194	110	1,930
Creditors due within one year	(53)	(1,013)	-	(1,066)
Creditors due in more than one year	-	(9)	-	(9)
Provisions for liabilities and charges	-	(4,791)	-	(4,791)
Total	573	(4,619)	12,951	8,905

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	6,105	6,105
Current assets	373	875	232	1,480
Creditors due within one year	(69)	(848)	-	(917)
Provisions for liabilities and charges	-	(1,628)	-	(1,628)
Total	304	(1,601)	6,337	5,040

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24. Reconciliation of net income to net cash flow from operating activities

	2019 £000	2018 £000
Net income for the year (as per Statement of financial activities)	5,135	57
Adjustments for:		
Depreciation	240	136
Capital grants from DfE and other capital income	(526)	(999)
Interest receivable	(3)	-
Defined benefit pension scheme obligation inherited	1,129	-
Defined benefit pension scheme cost less contributions payable	690	119
Defined benefit pension scheme finance cost	56	44
Defined benefit pension scheme administration cost	18	11
Decrease in debtors	62	429
Increase/(decrease) in creditors	159	(168)
Net gain on assets and liabilities from local authority on conversion	(7,264)	-
Net cash used in operating activities	(304)	(371)

25. Cash flows from investing activities

	2019 £000	2018 £000
Dividends, interest and rents from investments	3	-
Purchase of tangible fixed assets	(19)	(557)
Capital grants from DfE Group	518	999
Capital funding received from sponsors and others	8	-
Cash received from transfers on conversion	307	-
Net cash provided by investing activities	817	442

26. Analysis of cash and cash equivalents

	2019 £000	2018 £000
Cash in hand	1,399	886
Total cash and cash equivalents	1,399	886

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27. Conversion to academy status

On 1 March 2019 St Paul's Cray Church of England School converted to academy 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 Bromley for £nil consideration.

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

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

	Unrestricted funds £000	Restricted funds £000	Total funds £000
Current assets			
Cash - representing budget surplus on LA funds	230	-	230
Non-current liabilities			
Local Government Pension Scheme deficit	-	(394)	(394)
Net assets/(liabilities)	<u>230</u>	<u>(394)</u>	<u>(164)</u>

On 1 April 2019 Castilion Primary School converted to academy 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.

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 heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - 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.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
Leasehold land and buildings	-	-	6,957	6,957
Current assets				
Cash - representing budget surplus on LA funds	77	-	-	77
Non-current liabilities				
Local Government Pension Scheme deficit	-	(735)	-	(735)
Net assets/(liabilities)	<u>77</u>	<u>(735)</u>	<u>6,957</u>	<u>6,299</u>

Notes to the Financial Statements
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28. Pension commitments

The multi-academy trust's employees belong to two principal pension schemes: the Teachers' 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 of Bexley and London Borough of Bromley. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £155,948 were payable to the schemes at 31 August 2019 (2018 - £94,428) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.08%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

The employer's pension costs paid to TPS in the year amounted to £624,000 (2018 - £488,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

Notes to the Financial Statements
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28. Pension commitments (continued)

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £550,000 (2018 - £414,000), of which employer's contributions totalled £437,000 (2018 - £336,000) and employees' contributions totalled £ 113,000 (2018 - £78,000). The agreed contribution rates for future years are 16.7 - 19.9 per cent for employers and 5.5 - 12.5 per cent 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.

Average principle actuarial assumptions of London Borough of Bexley and London Borough of Bromley

	2019 %	2018 %
Rate of increase in salaries	3.5	3.6
Rate of increase for pensions in payment/inflation	2.1	2.2
Discount rate for scheme liabilities	1.8	2.8
Inflation assumption (CPI)	2.0	2.1

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

	2019 Years	2018 Years
Retiring today		
Males	23.3	23.1
Females	26.2	26.1
Retiring in 20 years		
Males	25.5	25.3
Females	28.5	28.4

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28. Pension commitments (continued)

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate +0.1%	(217)	(102)
Discount rate -0.1%	221	102
Mortality assumption - 1 year increase	170	80
Mortality assumption - 1 year decrease	(168)	(80)
CPI rate +0.1%	221	103
CPI rate -0.1%	(217)	(103)

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

	At 31 August	At 31 August
	2019	2018
	£000	£000
Equities	2,388	1,220
Gilts	509	422
Corporate bonds	534	146
Property	466	335
Cash and other liquid assets	100	3
Other	968	867
Total market value of assets	4,965	2,993

The actual return on scheme assets was £405,000 (2018 - £121,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019	2018
	£000	£000
Current service cost	(605)	(455)
Past service cost	(522)	-
Interest income	102	67
Interest cost	(158)	(111)
Total amount recognised in the Statement of Financial Activities	(1,183)	(499)

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28. Pension commitments (continued)

Changes in the present value of the defined benefit obligations were as follows:

	2019	2018
	£000	£000
At 1 September	4,621	4,462
Conversion of academy trusts	2,197	-
Current service cost	605	455
Interest cost	158	111
Employee contributions	113	78
Actuarial losses/(gains)	1,576	(438)
Benefits paid	(36)	(47)
Past service costs	522	-
At 31 August	9,756	4,621

Changes in the fair value of the multi-academy trust's share of scheme assets were as follows:

	2019	2018
	£000	£000
At 1 September	2,993	2,517
Conversion of academy trusts	1,068	-
Interest income	102	67
Actuarial gains	306	53
Employer contributions	437	336
Employee contributions	113	78
Benefits paid	(36)	(47)
Administration expense	(18)	(11)
At 31 August	4,965	2,993

29. Operating lease commitments

At 31 August 2019 the multi-academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£000	£000
Not later than 1 year	30	15
Later than 1 year and not later than 5 years	41	12
	71	27

Notes to the Financial Statements
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30. Members' liability

Each member of the multi-academy trust 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.

31. Related party transactions

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

The following related party transactions took place in the financial year:

Beths Grammar School (company number 07379768).

Trustee Reverend Dr J. Bowen, is a Member and Trustee of Beths Grammar School. During the year the Trust received £nil (2018: £5,157) for staff consultancy and incurred £1,000 (2018: £2,770) for coach hire for educational trips.

Employment related transactions.

During the year the spouse of Mr. J. Simms, a trustee and member, was employed by the trust. Mrs. N. Simms was paid a salary under an employment contract for her role. Mrs. N. Simms has been employed by the trust for a number of years and was not considered a related party at the time of her appointment, and Mr. J. Simms had no involvement in her appointment. The Board of Trustees are comfortable that her salary provides value for money and is not at a preferential rate.

During the year the son of Mr. P. Allen, a trustee, was employed by the trust. Mr. J. Allen was paid a salary under an employment contract for his role. Mr. J. Allen has been employed by the trust for a number of years and was not considered a related party at the time of his appointment, and Mr. P. Allen had no involvement in his appointment. The Board of Trustees are comfortable that his salary provides value for money and is not at a preferential rate.

32. Controlling party

The multi-academy trust is run by the senior management team on a day to day basis. Strategic decisions are made by the trustees. There is no ultimate controlling party.