

Company Registration Number: 10270029 (England & Wales)

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

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AD MELIORA ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Alexander Robinson, Chair of Members Julian Romney (resigned 12 December 2018) Alan Hayes Georgina Holloway Kathryn Blake (resigned 13 November 2018)
Trustees	Karl Jermyn, Chair of Trustees Andrew Walder, Vice Chair Sophie Bates (appointed 20 March 2019, resigned 4 November 2019) Lisa Cook Mark Deveney (resigned 31 October 2018) Karen Gardner (resigned 6 November 2018) William Mollison (appointed 10 September 2018) Dorothy Pulsford-Harris Peter Wadlow (resigned 6 November 2018)
Company registered number	10270029
Company name	Ad Meliora Academy Trust
Principal and registered office	St Edmund's Academy Kilham's Way Kings Lynn PE30 2HU
Company secretary	Barbara Kimpton
Senior management team	Lisa Cook, Chief Executive Headteacher
Independent auditors	Price Bailey LLP Chartered Accountants Anglia House, 6 Central Avenue St Andrews Business Park Thorpe St Andrew Norwich Norfolk NR7 0HR
Bankers	Santander Bridle Road Bootle Merseyside L30 4GB

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Solicitors

Duncan Pickering
4 Southfields
Bourne
Lincolnshire
PE10 9TZ

AD MELIORA ACADEMY TRUST
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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 Ad Meliora Multi Academy Trust (The Trust or the Charitable Company) for the period from 1 September 2018 to 31 August 2019. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The company was formed on 8 July 2016 and remained dormant until the first academy converted on 1 October 2016.

The Trust operates three primary Academies serving a catchment area in West and North-West Norfolk. The Academies have a combined capacity of 889 and had a roll of 672 in the 2019 census (17.01.19).

General information regarding the Trust can be found on the Reference and Administrative Details page prior to this.

The Chief Executive Officer also known as the Chief Executive Headteacher (CEH) of the Trust is Lisa Cook, who was appointed as a Trustee on the 8 July 2016.

Structure, Governance and Management

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee and Director are interchangeable. The Charitable Company includes the following Academies:

- St Edmund's Academy converted and joined the Trust on 1 October 2016
- Blenheim Park Academy converted and joined the Trust on 1 March 2017
- Reffley Academy converted and joined the Trust on 1 August 2017

The operation of The Trust's Academies and employment of staff are the responsibility of the Trustees. The Trust retains control of Academy budgets and finances, and monitors these through its Finance Committee. The Trust has established a Pupil Outcome and Well-being committee which is made up of community stakeholders. The committee has delegated authority to focus on teaching and learning.

Details of the Trustees who served throughout the period are included in the Reference and Administrative Details section. Within this report the term Trustee refers to a member of the MGB and the term Governor to a member of the POWBc. Details of the Trustees who served during the period are included in the Reference and Administrative Details section.

Members' Liability

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

Trustees and Officers' Indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim and details of the costs are disclosed in Note 13 to the accounts (Summary of Cover provided by RPA).

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TRUSTEES' REPORT (CONTINUED)
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Method of Recruitment and Appointment or Election of Trustees:

When new Trustees were appointed in the year, the Board agreed an appropriate process and criteria for the recruitment based on the skill and capability requirements of the Board, governance and good practice for multi academy trusts, and the requirements of the Trust's governing documents. During the financial year the Board identified two suitable candidates for the Trustee posts; the recommendation was presented to members who made the final appointments.

Trustees are briefed regularly by the executive team on educational development areas such as policy and other academy matters through board meetings which are held every 2 months, site visits and circulating appropriate papers. They are all individuals with experience of education and business management in other organisations. Induction for new Trustees is reviewed at the time of appointment according to their experience and knowledge.

Pupil Outcome and Well-Being Committee (POWBc):

The Board has established a POWBc that works under the overall direction of the trustees and across all academies within the MAT. The purpose of the committee is to provide oversight, investment of time and expertise alongside direction the MAT is required to provide. The committee works to a clear delegation scheme and focuses on three specific areas. The board is made up of seven representatives including the chair. Three members are parents, one member is a community representative, three members are academy headteachers and two members are trustees. Recruitment is carried out through a formal process. Key local board functions include:

- Safeguarding (including attendance)
- Academic outcomes
- Community engagement

Policies and Procedures Adopted for the Induction and Training of Trustees and Local Board Members

The Trust is committed to providing adequate opportunities for Trustees and committee members to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust links with a number of local training providers. New Trustees and committee members are required to undertake training through an external provider who schedules a range of training/courses that can be selected to meet individual development needs. The induction programme involves a tour of the relevant Academy, meetings with Headteachers and provision of policy and procedures documents that are appropriate to the role they undertake.

Trustees will undertake training for:

- SEND
- Safeguarding
- Trustee governance and responsibilities.

Key functions of the trustees and board are:

- Setting MAT strategy
- Agreeing the annual strategic plan for the MAT
- Approving individual Academies' plans
- Financial oversight and accountability
- Appointing the Executive Headteacher & Headteachers
- Risk Management

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Organisational Structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education. There is a scheme of delegation in place which sets out what matters are reserved for the MAT and what is delegated to the Chief Executive Headteacher and senior management in the academies and local boards.

The Board of Trustees is responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring The Trust by the use of those budgets and making major decisions about the direction of The Trust, capital expenditure and senior staff appointments. Matters delegated to the Chief Executive Headteacher include (among others) developing and implementing an appropriate curriculum, setting appropriate performance targets and completing annual reviews. The Board of Trustees, meets on at least 4 occasions per year and its 1 sub-committee (Finance and Personnel) at least 3 times per year. The details of which are minuted and publicly available.

The committee members within the POWBc are responsible for holding the Academy Headteachers to account for the quality and improvement of teaching and learning. Where there is a requirement, the committee members may make recommendations to the main Board of Trustees for changes in annual budgets and expenditure.

Each Senior Leadership Teams (SLTs) controls the Academies at an operational level implementing policies and reporting to the CEH and the POWBc. Each SLT is responsible for the day to day operation of their Academy, in particular organising staff, resources and pupils. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff through an approved business case using the Trust vetting and safeguarding recruitment processes.

The Trust's CEH is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust. This is currently considered to the Chief Executive Headteacher only.

The Trustees have approved a pay and remuneration policy that is based on the Academy group size (ISR) and the pay scales for each role. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration is approved by the appropriate sub-committee and ratified by the Board of Trustees.

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which members of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

The Trust cooperated with the following organisations during the academic year in pursuit of its charitable activities:

- HEARTs Academy Trust, Basildon Essex
- University of East Anglia
- St Nicholas Chapel, King's Lynn
- The Fire Station
- The College of West Anglia
- West Norfolk Borough Council
- Churchill Park Additional Needs School
- King's Lynn Constabulary
- GenR8
- King's Lynn Rotary Club
- Mars UK, King's Lynn (Schools Grounds Project).
- DOW Chemical King's Lynn
- Dobbies, King's Lynn
- The Forestry Commission

The Trust does not have a formal sponsor.

Objectives and Activities

Objects and Aims

The principal object and aim of the Charitable Company is the operation of a number of Academies to provide free education and care for pupils of different abilities within its local community between the ages of 3 and 11.

Objectives, Strategies and Activities

The principle objective and activity of the Academy Trust in the period was to raise outcomes for all children and stabilise Reffley Academy following a period of staff turnover and turbulence.

The strategic aim was to consolidate and embed systems and procedures that had been established in 17-18. The Trust executive leadership team has focussed on developing and holding leaders to account (at all levels) to ensure that energy and resources are targeted at improving outcomes for all children. The Trust can evidence significant improvement across the Academies within the MAT.

Recruitment of quality Academy Headteachers and other senior leaders has enabled capacity across the Trust. This has been used effectively at a local and cross-MAT level and has enabled the Trust to respond quickly where assistance is required.

The executive leadership team operates a conservative budget ensuring the academies within the Trust work to tightly controlled budget limits. Although small, the Trust is financially secure.

During the period the Trust has worked towards the following aims:

- All academies will be judged good or outstanding by OFSTED within three years of joining the Trust;
- All teaching within our academies will be good or better;
- Progress and attainment in our academies will be comparable with the very best for pupil progress and outcomes;
- our academies will demonstrate excellent leadership, including leadership at a Director and Pupil Outcome and Well-being committee level, and this will be shared across academies;
- Our academies will be able to accurately self-evaluate and will have a culture of continuous improvement and high aspirations;
- High-quality CPD for Directors and staff will mean our academies will attract and retain high quality staff;
- the Trust will be financially solvent, have reserves and submit three-year financial plans that are realistic, robust and do not produce an overall deficit financial position;

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

- The Trust will comply with all statutory regulations and have a clean annual audit report.

Our success in fulfilling our aims can be measured by:

- Outcomes across the Trust have improved and academy self-evaluation indicates that each academy within the Trust is moving towards a 'good' outcome;
- Progress measures for all academies have significantly improved;
- Attainment at St Edmund's and Reffley has risen at end of KS2.
- Leadership is good overall with leaders knowing the strengths and areas of improvement in their academies. Leaders can evidence that they are robustly tackling areas of need;
- The Pupil Outcome and Well-being committee is established and working effectively, focussing on areas set out in the Scheme of Delegation. Meeting minutes evidence significant challenge with senior leaders being held to account for pupil outcomes;
- The most recent external review evidences that self-evaluation is accurate in all three academies within the Trust;
- the Trust has been able to recruit quality candidates to the roles of Headteacher, Assistant Headteachers, Lead Practitioners and a team of Key Stage Leaders;
- The Trust is financially solvent, has reserves and has submitted a three-year financial plan that is realistic, robust and does not produce an overall deficit financial position.

The academies within our Trust are situated in West and North West Norfolk. We are committed to providing staff with opportunities to collaborate and work together and therefore see the West and North West areas of the County to be our core focus areas. Longer term, we are interested in working with additional schools/academies in North West Norfolk to establish a partner academy for Blenheim Park to address the geographic isolation of this academy.

A key aim of the Trust is for our academies to be high performing. We accept that each academy will be at a different starting point in their journey of improvement, and we will work collaboratively to achieve our aim.

Public Benefit

The Trustees believe that by working towards the aims and objectives of the Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Strategic Report

Achievements and Performance

The Trust continued its mission to ensure that pupils achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided pupils in suitable progression when they left their Academy. Specific achievements were as follows:

- Supported Reffley Academy through a change in leadership following a turbulent time for the staff. Established stability and coached staff at all levels to make informed decisions and fulfil their job roles;
- The % of children attaining age related expectations at the end of Early Years Foundation Stage, Y1 phonics, Key Stage 1 and 2 in reading, writing and maths improved overall;
- Attainment at Reffley Academy is above National Averages at the end of Key Stage 2 this demonstrates rapid improvement from 2017 where 34% of pupils attained age related expectations;
- Self-assessment and external review outcomes demonstrate that leaders can evidence sustained improvements and are working towards a 'good' judgement.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Key Performance Indicators

The Trustees receive regular information at each meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Total pupil numbers for 2019 were 672 (as at the census on 17.1.19). We are mindful that this is 23 children fewer than in 2017-18 and have experienced low Reception intake numbers for all academies within the Trust.

Another key financial performance indicator is staffing costs as a percentage of total income. The Trustees are confident that staffing levels are closely monitored to agreed Full Time Equivalents and staffing structures all approved by the Board of Trustees.

The Finance and Personnel committee monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the Board of Trustees.

Going Concern

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

Financial Review

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education Funding Agency (ESFA). For the period ended 31 August 2019 the Trust received £3,539,497 of income. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the period the Trust spent £4,079,182 on expenditure. The Trust brought forward from 17/18 £71,614 in restricted funding (excluding the pension deficit), and £323,644 of unrestricted funding. The carry forward for 18/19 is £118,434 restricted funding (excluding the pension deficit), and £317,379 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of (£1,272,000). This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Chief Executive Headteacher and Trust Business Manager. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £317,379. This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

The Trust holds £215,000 for in year contingencies (one month's staffing costs) and always plans to have a carry forward of between 5% and 10% to assist in making strategic decisions to keep in line with national funding changes and curriculum needs.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2019 was £435,813.

The cash balance of the Trust has been healthy all period, ending the period with a balance of £618,787. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the monthly management reports and attempt to hold a minimum of £250,000 to cover short term cash flow variances.

Investment Policy

The purpose of this policy is to ensure that any surplus funds are invested well so that they achieve the best financial returns with the minimum risk. Good financial returns mean that more money can be spent on educating pupils.

Adequate cash balances must be maintained to ensure that there are always sufficient funds in the Trust's current account to cover financial commitments such as payroll and day-to-day expenses. If there is a surplus of funds after all financial commitments have been considered, this surplus will be invested. The Chief Executive Headteacher and Trust Business Manager will compare alternative investment opportunities every six months to ensure that the Trust's funds achieve the best interest rates. The CEH is responsible for ensuring that this policy is adhered to.

Principal Risks and Uncertainties

The Trust has an overarching risk register. Trustees review the risk register as a standing agenda item at each full Trustee meeting. The central risk register identifies the major risks, to which each Academy is exposed, and identifying actions and procedures to mitigate those risks. The internal control systems and the exposure to identified risks are monitored on behalf of the Trustees at each Director meeting. The principal risks facing the Trust are outlined below; those facing the Academies at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy are in the process of being implemented and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a small group of academies, the level of financial risk is medium. Within reason, we are able to forecast cash flows. Staff costs make up the majority of expenditure and we have systems in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- Each Academy within the Trust has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees have reviewed systems to ensure that appropriate measures are in place to mitigate these risks;
- Reputational - the continuing success of the individual Academies is dependent on continuing to attract applicants by maintaining the highest educational standards. To mitigate this risk Trustees ensure that pupil progress and outcomes are closely monitored and reviewed;
- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and behaviour management;

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

- Staffing - the success of the Academies is reliant on the quality of its staff and the Trustees monitor and review policies, procedures and recruitment to ensure continued development and training of staff. Trustees have addressed the need for succession planning;
- Financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low;
- Financial – the current financial risks which the Multi Academy Trust faces are the uncertainty around pupil numbers and a drop in numbers at St Edmund's. This will have an impact on cash flow and reserves. Staffing has been amended to reflect the reduced income.
- Defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any Academy ceasing to exist the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.
- Fraud and management of funds – The Academy Trust has a team of back office staff to ensure that processes are completed in a timely manner. The Trustees have established a Finance and Personnel committee to oversee the financial management of the Trust. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area. A professional accountant has been appointed to provide on-going support.

The Trustees have established and developed systems and procedures to ensure staff awareness in order to strengthen its risk management process.

Plans for Future Periods

The Academy Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy Trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives. The Academy Trust will continue to work with partner schools and academies to improve the educational opportunities for pupils in the wider community. The Academy Trust will continue to promote a wide range of extra-curricular activities and seek to increase pupil engagement in these activities. The Trustees will only consider further expansion of the Trust where there is sufficient capacity to ensure Trust aims and objectives can be achieved.

2019-20

- Establish a cohesive and coherent curriculum across the Trust that enables children to remember and do more.
- Develop the effectiveness of subject leaders across the Trust.
- Ensure readiness for at least two OFSTED inspections during the academic year (St Edmund's and Blenheim Park).
- Continue to strengthen outcomes across the Trust
- Improve outcomes for children who are eligible for Pupil Premium funding.
- Develop the Lead Practitioner programme to improve the quality of teaching and learning and consistency across the Trust.
- Develop our 'growing teachers' programme to provide good quality teachers to the Trust.

2020-21

- Ensure readiness for Reffley Academy OFSTED inspection during the Autumn term.
- Continue to strengthen outcomes across the Trust
- Improve outcomes for children who are eligible for Pupil Premium funding.
- Develop the Lead Practitioner programme to improve the quality of teaching and learning and consistency across the Trust.
- Develop our 'growing teachers' programme to provide good quality teachers to the Trust.
- Liaise with Regional Schools' Commissioner with a view to supporting an additional school in North West Norfolk.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

2021-22

- Continue to strengthen outcomes across the Trust
- Improve outcomes for children who are eligible for Pupil Premium funding.
- Develop the Lead Practitioner programme to improve the quality of teaching and learning and consistency across the Trust.
- Develop our 'growing teachers' programme to provide good quality teachers to the Trust.

Funds Held as Custodian Trustee on Behalf of Others

There were no funds held as Custodian Trustee on behalf of others.

Trade Union Facility Time

Trade union services were outsourced to Norfolk County Council at a cost of £2,114 to the Trust in the year ended 31 August 2019.

Fundraising

The Academy Trust held small fundraising events during the year including fayres, discos, book stalls and cake sales. The Academy Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

Auditor

Insofar as the Trustees are aware:

- There is no relevant audit information of which the Charitable Company's Auditor is unaware;
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 11 December 2019 and signed on its behalf by:



Karl Jermyn
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Ad Meliora Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 7 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
Karl Jermyn, Chair of Trustees	7	7
Andrew Walder, Vice Chair	6	7
Sophie Bates	1	2
Lisa Cook	7	7
Mark Deveney	0	1
Karen Gardner	0	1
William Mollison	4	7
Dorothy Pulsford-Harris	5	7
Peter Wadlow	0	1

Review of year:

Overall the year has been a successful one for the Trust.

1. Staffing is stable and each academy has been equipped with a workforce that is fit for purpose and who buys into the ethos of the Trust.
2. Through rigorous selection and performance management, we have built capacity at a local level, with each Trust having strong leaders (at all levels). This has enabled a timely response to areas of need.
3. The Executive Team and Academy Leaders have clearly defined roles and work effectively together. As a result of rigorous challenge and support, the quality of teaching is good overall and outcomes at all levels have improved across the Trust.
4. Attainment in our priority areas have improved –
 - KS1 outcomes at Blenheim and St Edmund's,
 - KS2 outcomes at St Edmund's and Reffley where Y6 Age Related Expectations have improved by 34% so that they are now above National Averages for the first time in several years.
 - Phonics outcomes at Blenheim Park.
 - Progress measures (KS1 – 2) across the Trust have improved significantly.
5. Building work has started for the new school for St Edmund's with an anticipated completion date of July 2020.
6. The Trust is financially secure. Additional capacity within the back office has ensured that reports are timely and Directors have confidence that the monies received are managed and spent well.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Governance reviews:

Although there has not been a formal review of governance, the Board has reviewed the way that it operates and restructured to ensure that it is fulfilling the duties required.

The Board is led by an experienced and effective Chair who is well supported by all Directors within the Board.

Directors can evidence that they work strategically and collaboratively and are assiduous at holding leaders to account for performance at all levels.

A sensible and effective committee structure has been established that ensures Directors can fulfil their legal responsibilities.

The Trust has established a Pupil Outcome and Well-Being committee that works under the direction of the Directors, with the specific focus on safeguarding, pupil outcomes and community engagement. This committee is proactive and has undertaken training and monitoring linked to the specific areas of focus, for example Pupil Premium and Special Educational Needs. Attendance at the committee is good and Directors can evidence that Academy Leaders are both held to account and supported.

Committees

The Finance and Personnel Committee is a sub-committee of the main board of trustees. Its purpose is set out below:

1. The Board of Directors delegates responsibility for the Financial Management of the Trust to the Finance, Pay and Personnel Committee.
2. The Finance, Pay and Personnel Committee to provide guidance and assistance to the Chief Executive Head teacher and Trust Board of Directors in all matters relating to budgeting, finance and pay.
3. Agreeing the mechanism of staff appraisal.
4. Monitoring the staff appraisal procedure.
5. All matters relating to staff pay progression (excluding the Chief Executive Headteacher and Academy Headteachers).

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Karl Jermyn	4	4
Andrew J Walder	3	3
Lisa Cook	4	4
Karen D Gardner	0	0
William B Mollison	2	4

The Trust does not have a separate Audit committee, however, audit and identified risks are considered as part of the F&P committee and therefore, a separate committee is not considered necessary.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the Chief Executive Headteacher 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:

- As old contracts have come to an end, where possible, we have sourced contracts at a Trust level (as opposed to an academy level); have tested the market through research and tendering to procure contracts that are cheaper and/or provide a better service.
- We have shared resources between the academies within the Trust – physical classroom resources, staffing and expertise. This has enabled an improved quality of service at a back office and classroom level.
- By establishing an effective Trust Central Team, premises and financial tasks are removed from Academy Leaders enabling them to focus on teaching and learning. This has been a significant factor in improving outcomes at all levels.

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 Ad Meliora Academy Trust for the year 1 September 2018 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 ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2018 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 monthly financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the Finance and Personnel 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

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Rachael Jones, Academy Support Officer Educator Solutions as independent internal auditor.

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

- a review of the processes of segregation of duties within the finance system;
- a review of the procedures for vetting new staff;
- a review of month end budget reports to ensure that they are accurate and produced in a timely manner;
- a review of the capitalisation of assets to ensure items are accounted for correctly;
- a scrutiny of expenses claims to ensure there is appropriate documentation to support the claim(s)
- a scrutiny of invoices to ensure that processing complies with the Trust's Finance Policy;
- a review of systems associated with Trust credit cards and the useage of them;
- a review of receipts for income to ensure that records of amounts due reconcile to monies collected;
- a review of VAT claims to ensure that they are correctly authorised and that the total of all outstanding claims agrees with the balance on the VAY control account;
- a review of bank reconciliations to ensure that they have been correctly prepared and authorised;
- a review of budget figures in the accounting system to ensure that they agree with the latest budget approved by the Trustees.

On an annual basis, the independent internal auditor reports to the board of Trustees through the Finance and Personnel committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The independent, internal auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of the internal auditor's work.

Review of effectiveness

As accounting officer, the Chief Executive Headteacher 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 independent internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the 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 the independent internal control by the independent, internal auditor, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on 11 December 2019 and signed on their behalf by:



Karl Jermyn
Chair of Trustees



Lisa Cook
Accounting Officer

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Rachael Jones, Academy Support Officer Educator Solutions as independent internal auditor.

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- a review of the procedures for vetting new staff;
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- the work of the independent internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the 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 the independent internal control by the independent, internal auditor, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on 11 December 2019 and signed on their behalf by:

Karl Germyn
Chair of Trustees


Lisa Cook
Accounting Officer

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Ad Meliora Academy Trust I have considered my responsibility to notify the academy trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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



Lisa Cook
Accounting Officer
Date: 11 December 2019

AD MELIORA ACADEMY 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.

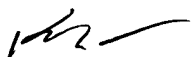
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements 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 on
signed on its behalf by:

11 December 2019 and



Karl Jermyn
Chair of Trustees

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF AD
MELIORA ACADEMY TRUST**

Opinion

We have audited the financial statements of Ad Meliora Academy Trust (the '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 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 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 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.

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF AD
MELIORA ACADEMY TRUST (CONTINUED)**

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.

Matters on which we are required to report by exception

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

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.

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF AD
MELIORA ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy trust 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 academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an 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 academy trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

John Warren BSc FCA (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Anglia House, 6 Central Avenue

St Andrews Business Park

Thorpe St Andrew

Norwich

Norfolk

NR7 0HR

17 December 2019

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AD MELIORA ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 20 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 Ad Meliora Academy 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 Ad Meliora Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Ad Meliora Academy 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 Ad Meliora Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Ad Meliora Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Ad Meliora Academy Trust's funding agreement with the Secretary of State for Education dated 26 September 2016 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 academy trust's income and expenditure.

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AD MELIORA
ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention 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.

Price Bailey LLP

Anglia House, 6 Central Avenue
St Andrews Business Park
Thorpe St Andrew
Norwich
Norfolk
NR7 0HR

Date: 17 December 2019

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	-	20,318	59,459	79,777	573,933
Charitable activities	4	44,406	3,365,815	-	3,410,221	3,309,252
Other trading activities	5	49,103	-	-	49,103	32,409
Investments	6	396	-	-	396	300
Total income		<u>93,905</u>	<u>3,386,133</u>	<u>59,459</u>	<u>3,539,497</u>	<u>3,915,894</u>
Expenditure on:						
Charitable activities	7	100,170	3,441,822	537,190	4,079,182	3,896,936
Total expenditure		<u>100,170</u>	<u>3,441,822</u>	<u>537,190</u>	<u>4,079,182</u>	<u>3,896,936</u>
Net expenditure		<u>(6,265)</u>	<u>(55,689)</u>	<u>(477,731)</u>	<u>(539,685)</u>	<u>18,958</u>
Transfers between funds	18	-	(15,491)	15,491	-	-
Net movement in funds before other recognised gains/(losses)		<u>(6,265)</u>	<u>(71,180)</u>	<u>(462,240)</u>	<u>(539,685)</u>	<u>18,958</u>
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(341,000)	-	(341,000)	205,000
Net movement in funds		<u>(6,265)</u>	<u>(412,180)</u>	<u>(462,240)</u>	<u>(880,685)</u>	<u>223,958</u>
Reconciliation of funds:						
Total funds brought forward		323,644	(741,386)	12,761,016	12,343,274	12,119,316
Net movement in funds		(6,265)	(412,180)	(462,240)	(880,685)	223,958
Total funds carried forward		<u>317,379</u>	<u>(1,153,566)</u>	<u>12,298,776</u>	<u>11,462,589</u>	<u>12,343,274</u>

The notes on pages 27 to 55 form part of these financial statements.

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 10270029

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	12,291,359	12,535,211
		<u>12,291,359</u>	<u>12,535,211</u>
Current assets			
Debtors	15	70,720	110,511
Cash at bank and in hand		618,787	997,050
		<u>689,507</u>	<u>1,107,561</u>
Creditors: amounts falling due within one year	16	(246,277)	(486,498)
Net current assets		<u>443,230</u>	<u>621,063</u>
Total assets less current liabilities		<u>12,734,589</u>	<u>13,156,274</u>
Net assets excluding pension liability		<u>12,734,589</u>	<u>13,156,274</u>
Defined benefit pension scheme liability	23	(1,272,000)	(813,000)
Total net assets		<u><u>11,462,589</u></u>	<u><u>12,343,274</u></u>

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

	Note	2019	2019 £	2018	2018 £
Funds of the academy trust					
Restricted funds:					
Fixed asset funds	18	12,298,776		12,761,016	
Restricted income funds	18	118,434		71,614	
Restricted funds excluding pension asset	18	12,417,210		12,832,630	
Pension reserve	18	(1,272,000)		(813,000)	
Total restricted funds	18		11,145,210		12,019,630
Unrestricted income funds	18		317,379		323,644
Total funds			11,462,589		12,343,274

The financial statements on pages 23 to 55 were approved by the Trustees, and authorised for issue on 11 December 2019 and are signed on their behalf, by:



Karl Jermyn
Chair of Trustee

The notes on pages 27 to 55 form part of these financial statements.

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(201,457)	442,539
Cash flows from investing activities	21	(176,806)	(35,083)
Change in cash and cash equivalents in the year		(378,263)	407,456
Cash and cash equivalents at the beginning of the year		997,050	589,594
Cash and cash equivalents at the end of the year	22	<u>618,787</u>	<u>997,050</u>

The notes on pages 27 to 55 form part of these financial statements

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. General Information

Ad Meliora Academy Trust is a private company limited by guarantee, incorporated on 8 July 2016 in the UK, and registered at the following address: St Edmund's Community Foundation School, Kilham's Way, Kings Lynn, Norfolk, England, PE30 2HU.

The financial statements are presented in Pounds Sterling and are rounded to the nearest £.

2. 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.

2.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the 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.

Ad Meliora Academy Trust meets the definition of a public benefit entity under FRS 102.

2.2 Going concern

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

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. General Information (continued)

2.3 Income

All incoming resources are recognised when the 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 entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund.

- **Donations**

Donations are recognised on a receivable basis 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 academy trust has provided the goods or services.

2.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Interest receivable

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

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
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1. General Information (continued)

2.6 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

2.7 Tangible fixed assets

Assets costing £1,000 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives. Freehold property is made up of building components which require varying rates of depreciation.

Depreciation is provided on the following bases:

Freehold property	- Between 10 and 35 years
Long-term leasehold property	- Between 5 and 36 years
Short-term leasehold land (included above)	- Over the 125 year lease term
Furniture and equipment	- 10% straight line
Plant and machinery	- 10% - 20% straight line
Computer equipment	- 25% straight line

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

2.8 Debtors

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

2.9 Cash at bank and in hand

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

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1. General Information (continued)

2.10 Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.11 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement 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 15. 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 note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2.12 Operating leases

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

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1. General Information (continued)

2.13 Pensions

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

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

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

2.14 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

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1. General Information (continued)

2.15 Redundancy and Termination payments

Redundancy and termination costs are recognised as an expense in the Statement of Financial Activities and a liability on the Balance Sheet immediately at the point the Academy Trust is demonstrably committed to either:

- terminate the employment of an employee or group of employees before normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The Trust is considered to be demonstrably committed only when it has a detailed formal plan for the termination and is without realistic possibility of withdrawal from the plan.

2.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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.

There are no judgements that have been applied in the preparation of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
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3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted fixed and restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Funds transferred on conversion	-	-	-	(4,201)
Donations	-	20,318	20,318	14,453
Capital Grants	-	59,459	59,459	563,681
Total 2019	-	79,777	79,777	573,933
Total 2018	(4,201)	578,134	573,933	

In 2018, the funds on conversion were unrestricted, donations were restricted and capital grants related to the fixed asset fund.

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**NOTES TO THE FINANCIAL STATEMENTS
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4. Funding for the academy trust's provision of education

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,828,972	2,828,972	2,837,562
Other DfE/ESFA grants	-	383,843	383,843	289,818
	-	3,212,815	3,212,815	3,127,380
Other government grants				
Local authority grants	-	139,435	139,435	119,142
	-	139,435	139,435	119,142
Other funding from the academy trust's educational operations				
Catering income	30,784	-	30,784	34,510
Payments from other schools	-	2,100	2,100	6,277
Other income	13,622	11,465	25,087	21,943
	44,406	13,565	57,971	62,730
	44,406	3,365,815	3,410,221	3,309,252
Total 2018	53,865	3,255,387	3,309,252	

In 2018, all income from DfE/ESFA grants and Other government grants was restricted. Catering income was unrestricted, payments from other schools was restricted. Other income totalling £21,943 was split as follows: £19,355 unrestricted and £2,588 restricted.

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**NOTES TO THE FINANCIAL STATEMENTS
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5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Catering income from duty meals	4,718	4,718	4,300
Rental income	18,387	18,387	13,120
Other income	25,998	25,998	14,989
	<u>49,103</u>	<u>49,103</u>	<u>32,409</u>

All income from trading activities in 2018 was unrestricted.

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	<u>396</u>	<u>396</u>	<u>300</u>

All income from investments in 2018 was unrestricted.

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Provision of Education:					
Direct costs	2,284,733	-	182,869	2,467,602	2,413,488
Allocated support costs	366,319	754,617	490,644	1,611,580	1,483,448
	<u>2,651,052</u>	<u>754,617</u>	<u>673,513</u>	<u>4,079,182</u>	<u>3,896,936</u>
Total 2018	<u>2,616,950</u>	<u>616,066</u>	<u>663,920</u>	<u>3,896,936</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Expenditure (continued)

In 2019, £100,170 of expenditure related to unrestricted funds (2018: £71,687), £3,441,882 related to restricted funds (2018: £3,382,879) and £537,190 to restricted fixed asset funds (2018: £442,370).

8. Charitable Activities

	2019 £	2018 £
Direct costs - educational operations	2,467,602	2,413,488
Support costs - educational operations	1,611,580	1,483,448
	<u>4,079,182</u>	<u>3,896,936</u>

Analysis of support costs

	2019 £	2018 £
Support staff costs	366,319	323,412
Depreciation	537,190	442,370
Technology costs	32,235	41,823
Premises costs	244,469	196,633
Other support costs	426,277	464,810
Governance costs	5,090	14,400
	<u>1,611,580</u>	<u>1,483,448</u>

9. Net expenditure

Net expenditure for the year includes:

	2019 £	2018 £
Operating lease rentals	1,946	1,906
Depreciation of tangible fixed assets	537,190	442,370
Loss on disposal of fixed assets	-	1,275
Fees paid to auditors for:		
- audit	6,810	7,770
- other services	4,590	6,630

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. Central services

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

- Management
- Administration staff
- Staff indirect expenses
- Learning improvement and educational support
- Office and administration support
- Professional services and support costs
- Premises costs
- Identifiable "one-off" costs
- Infrastructure development costs
- Capital costs

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

Blenheim Park Academy - 10%
St Edmund's Academy - 30%
Reffley Academy - 60%

These rates have been chosen by the Trust Board to apportion charges bases on ratios that reflect the varying numbers on roll at each academy. The Trust Board will review and approve the methods of apportionment annually.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Blenheim Park Academy	31,397	24,352
Reffley Academy	188,384	146,110
St Edmund's Academy	94,192	73,055
Total	<u>313,973</u>	<u>243,517</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	2,022,206	1,882,619
Social security costs	164,477	146,861
Pension costs	416,744	421,291
	<u>2,603,427</u>	<u>2,450,771</u>
Agency staff costs	10,495	140,379
Staff restructuring costs	37,130	25,800
	<u>2,651,052</u>	<u>2,616,950</u>

Staff restructuring costs comprise:

	2019 £	2018 £
Redundancy payments	23,995	-
Severance payments	13,135	25,800
	<u>37,130</u>	<u>25,800</u>

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

Included in staff restructuring costs are non-statutory, non-contractual severance payments of £Nil (2018 - £25,800). Individually, the payments in 2018 were £23,000 and £2,800.

c. Staff numbers

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

	2019 No.	2018 No.
Teaching	35	35
Admin and support	69	69
Management	6	3
	<u>110</u>	<u>107</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Staff costs (continued)

c. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teaching	32	29
Admin and support	66	42
Management	6	3
	<u>104</u>	<u>74</u>

d. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	1	1
	<u>1</u>	<u>1</u>

e. Key management personnel

The key management personnel of the Academy Trust comprises the trustees and senior management team. The total amount of employee benefits (including employer pension contributions) received by the key management personnel for their services to the Academy Trust was £98,445 (2018: £97,933).

Included in the above are employer's national insurance contributions of £9,378 (2018: £9,411) and employer pension contributions of £12,601 (2018: £12,601).

12. Trustees' remuneration and expenses

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

		2019 £	2018 £
Lisa Cook	Remuneration	75,000 - 80,000	75,000 - 80,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000

During the year, retirement benefits were accruing to 1 Trustees (2018 - 1) in respect of defined benefit pension schemes.

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12. Trustees' remuneration and expenses (continued)

During the year ended 31 August 2019, the reimbursement of expenses totalled £104 and were in respect of 1 Trustee (2018 - £225 to 1 Trustee).

13. Trustees' and Officers' insurance

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

14. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2018	5,522,550	7,525,108	58,635	11,788	64,031	13,182,112
Additions	246,657	9,500	8,907	12,099	16,175	293,338
Disposals	-	-	(4,075)	-	(2,943)	(7,018)
At 31 August 2019	5,769,207	7,534,608	63,467	23,887	77,263	13,468,432
Depreciation						
At 1 September 2018	307,064	310,356	7,976	1,885	19,620	646,901
Charge for the year	248,602	261,546	6,347	2,389	18,306	537,190
On disposals	-	-	(4,075)	-	(2,943)	(7,018)
At 31 August 2019	555,666	571,902	10,248	4,274	34,983	1,177,073
Net book value						
At 31 August 2019	5,213,541	6,962,706	53,219	19,613	42,280	12,291,359
At 31 August 2018	5,215,486	7,214,752	50,659	9,903	44,411	12,535,211

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	-	3,942
VAT recoverable	11,069	45,535
Prepayments and accrued income	59,651	61,034
	<u>70,720</u>	<u>110,511</u>

16. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	86,216	92,715
Other taxation and social security	40,531	38,445
Other creditors	40,713	37,314
Accruals and deferred income	78,817	318,024
	<u>246,277</u>	<u>486,498</u>

	2019 £	2018 £
Deferred income		
Deferred income at 1 September 2018	42,785	21,726
Resources deferred during the year	45,000	42,785
Amounts released from previous periods	(42,785)	(21,726)
Deferred income at 31 August 2019	<u>45,000</u>	<u>42,785</u>

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

17. Financial instruments

	2019 £	2018 £
Financial assets		
	-	-
Financial assets measured at amortised cost	654,305	1,151,909
	<u>654,305</u>	<u>1,151,909</u>
	2019 £	2018 £
Financial liabilities		
Financial liabilities measured at amortised cost	(160,746)	(471,983)
	<u>(160,746)</u>	<u>(471,983)</u>

Financial assets measured at amortised cost comprise cash, debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and other creditors.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted Funds	323,644	93,905	(100,170)	-	-	317,379
Restricted general funds						
General Annual Grant (GAG)	71,614	2,828,972	(2,778,259)	(15,491)	-	106,836
Pupil Premium	-	183,591	(183,591)	-	-	-
Other DfE/ESFA Grants	-	200,252	(200,252)	-	-	-
Other Government Grants	-	139,435	(129,997)	-	-	9,438
Income from Other Schools	-	2,100	(2,100)	-	-	-
Other Restricted Income	-	31,783	(29,623)	-	-	2,160
Pension reserve	(813,000)	-	(118,000)	-	(341,000)	(1,272,000)
	<u>(741,386)</u>	<u>3,386,133</u>	<u>(3,441,822)</u>	<u>(15,491)</u>	<u>(341,000)</u>	<u>(1,153,566)</u>
Restricted fixed asset funds						
Fixed Assets	12,502,989	-	(531,190)	293,338	-	12,265,137
DfE/ESFA Capital Grants	225,805	59,459	-	(277,847)	-	7,417
Capital Expenditure from GAG	32,222	-	(6,000)	-	-	26,222
	<u>12,761,016</u>	<u>59,459</u>	<u>(537,190)</u>	<u>15,491</u>	<u>-</u>	<u>12,298,776</u>
Total Restricted funds	<u>12,019,630</u>	<u>3,445,592</u>	<u>(3,979,012)</u>	<u>-</u>	<u>(341,000)</u>	<u>11,145,210</u>
Total funds	<u>12,343,274</u>	<u>3,539,497</u>	<u>(4,079,182)</u>	<u>-</u>	<u>(341,000)</u>	<u>11,462,589</u>

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18. Statement of funds (continued)

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

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure. The transfer from GAG relates to the contribution from GAG funding towards the purchase of capital assets during the period.

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

Pupil Premium

This represents funding to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

Start-up Grants

This represents grants received by the Trust to support the schools' conversion to Academies.

Other DfE/ESFA Grants

This represents PE and Sports Grants, Regional Academy Growth Fund, and Universal Infant Free School Meals.

Other Government Grants

This represents other funding from the government towards the provision of education.

Income from Other Schools

Income from other schools relates to reimbursements for the use of staff employed by the Trust and Trust facilities, by other schools.

Other Restricted Income

This represents funding received from other bodies towards a specific purpose.

Restricted Fixed Asset Funds

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

DfE/ESFA Capital Grants

Capital grants, are made up of Devolved Formula Capital which is received by the Trust to use to maintain and improve its buildings and facilities and Conditional Improvement Fund income to be used to improve the roof and windows at St Edmund's Academy and the emergency lighting system at Reffley Academy.

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18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Ad Meliora Trust	7,139	15,047
Blenheim Park Academy	73,388	131,266
Reffley Academy	284,231	209,761
St Edmund's Academy	71,055	39,184
Total before fixed asset funds and pension reserve	435,813	395,258
Restricted fixed asset fund	12,298,776	12,761,016
Pension reserve	(1,272,000)	(813,000)
Total	11,462,589	12,343,274

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**NOTES TO THE FINANCIAL STATEMENTS
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18. 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 £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Ad Meliora Trust	63,260	108,379	66,391	80,594	318,624	244,817
Blenheim Park Academy	262,063	48,373	23,739	122,950	457,125	352,519
Reffley Academy	1,044,768	136,837	55,860	277,096	1,514,561	1,505,772
St Edmund's Academy	914,642	72,730	36,879	227,431	1,251,682	1,351,458
Academy trust	2,284,733	366,319	182,869	708,071	3,541,992	3,454,566

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2018 £
Unrestricted funds					
Designated funds					
Designated Funds	75,000	-	-	(75,000)	-
General funds					
Amounts transferred on conversion	234,101	(4,201)	-	75,000	304,900
Other Income	3,857	86,574	(71,687)	-	18,744
	<u>237,958</u>	<u>82,373</u>	<u>(71,687)</u>	<u>75,000</u>	<u>323,644</u>
Total Unrestricted funds	<u>312,958</u>	<u>82,373</u>	<u>(71,687)</u>	<u>-</u>	<u>323,644</u>
Restricted general funds					
Start-up Grant	5,535	-	(5,535)	-	-
General Annual Grant (GAG)	-	2,837,562	(2,762,202)	-	71,614
Pupil Premium	929	186,077	(187,006)	-	-
Other DfE/ESFA Grants	40,935	103,741	(144,676)	-	-
Other Government Grants	-	119,142	(119,142)	-	-
Income from Other Schools	-	6,277	(6,277)	-	-
Other Restricted Income	-	17,041	(17,041)	-	-
Pension reserve	(877,000)	-	(141,000)	205,000	(813,000)
	<u>(829,601)</u>	<u>3,269,840</u>	<u>(3,382,879)</u>	<u>205,000</u>	<u>(741,386)</u>
Restricted fixed asset funds					
Fixed Assets	12,283,064	-	(436,370)	656,295	12,502,989
DfE/ESFA Capital Grants	318,419	563,681	-	(656,295)	225,805
Capital Expenditure from GAG	34,476	-	(6,000)	3,746	32,222
	<u>12,635,959</u>	<u>563,681</u>	<u>(442,370)</u>	<u>3,746</u>	<u>12,761,016</u>
Total Restricted funds	<u>11,806,358</u>	<u>3,833,521</u>	<u>(3,825,249)</u>	<u>208,746</u>	<u>12,019,630</u>

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18. Statement of funds (continued)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2018 £
Total funds	12,119,316	3,915,894	(3,896,936)	208,746	12,343,274

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	12,291,359	12,291,359
Current assets	317,379	364,711	7,417	689,507
Creditors due within one year	-	(246,277)	-	(246,277)
Provisions for liabilities and charges	-	(1,272,000)	-	(1,272,000)
Total	317,379	(1,153,566)	12,298,776	11,462,589

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	12,535,211	12,535,211
Current assets	434,015	190,158	483,388	1,107,561
Creditors due within one year	(110,371)	(118,544)	(257,583)	(486,498)
Provisions for liabilities and charges	-	(813,000)	-	(813,000)
Total	323,644	(741,386)	12,761,016	12,343,274

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20. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2019 £	2018 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(539,685)	18,958
Adjustments for:		
Depreciation	537,190	441,095
Capital grants from DfE and other capital income	(59,459)	(563,681)
Interest receivable	(396)	(300)
Defined benefit pension scheme cost less contributions payable	94,000	118,000
Defined benefit pension scheme finance cost	24,000	23,000
Decrease in debtors	39,791	507,440
Decrease in creditors	(296,898)	(103,248)
Loss on the sale of fixed assets	-	1,275
Net cash (used in)/provided by operating activities	(201,457)	442,539

21. Cash flows from investing activities

	2019 £	2018 £
Bank interest	396	300
Purchase of tangible fixed assets	(236,661)	(599,064)
Capital grants from DfE Group	59,459	563,681
Net cash used in investing activities	(176,806)	(35,083)

22. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	618,787	997,050
Total cash and cash equivalents	618,787	997,050

23. Pension commitments

The 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 Norfolk County Council. Both are multi-employer defined benefit schemes.

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23. Pension commitments (continued)

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

Contributions amounting to £40,668 were payable to the schemes at 31 August 2019 (2018 - £37,251) and are included within creditors.

Teachers' Pension Scheme

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.

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23. Pension commitments (continued)

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 0.8%). 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%.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website.

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.

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.

The employer's pension costs paid to TPS in the year amounted to £202,962 (2018 - £181,374).

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

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23. Pension commitments (continued)

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 £152,186 (2018 - £153,798), of which employer's contributions totalled £119,781 (2018 - £121,879) and employees' contributions totalled £ 32,405 (2018 - £31,919). The agreed contribution rates for employers for St Edmund's Academy and Blenheim Park Academy are 21.3% to 31 March 2020. Those for Reffley Academy are 20.8% to 31 March 2020. The agreed future contribution rates for employees for all schools is tiered based on salary levels between the rates of 5.5% and 12.5%.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	2.60	2.60
Discount rate for scheme liabilities	1.90	2.80
Inflation assumption (CPI)	2.30	2.30
Commutation of pensions to lump sums	50.00	50.00

The commutation rate of 50% relates to pre April 2008 service and increased to 75% for post April 2008 service.

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
<i>Retiring today</i>		
Males	21.1	22.1
Females	23.5	24.4
<i>Retiring in 20 years</i>		
Males	22.4	24.1
Females	25.0	26.4

As at the 31 August 2019 the Trust had a pension liability of £1,272,000 (2018 - £813,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined obligation in the following way;

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23. Pension commitments (continued)

Sensitivity analysis

	2019 £	2018 £
Discount rate +0.1%	(60,632)	(43,862)
Discount rate -0.1%	60,632	43,862
Mortality assumption - 1 year increase	18,656	13,496
Mortality assumption - 1 year decrease	(18,656)	(13,496)
CPI rate +0.1%	55,968	37,114
CPI rate -0.1%	(55,968)	(37,114)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	519,400	445,740
Bonds	381,600	297,160
Property	127,200	104,880
Cash	31,800	26,220
Total market value of assets	1,060,000	874,000

The actual return on scheme assets was £51,000 (2018 - £47,000).

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

	2019 £	2018 £
Current service cost	(205,000)	(231,000)
Past service cost	(9,000)	(9,000)
Interest income	26,000	19,000
Interest cost	(50,000)	(42,000)
Total amount recognised in the Statement of Financial Activities	(238,000)	(263,000)

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23. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	1,687,000	1,560,000
Current service cost	205,000	231,000
Interest cost	50,000	42,000
Employee contributions	32,000	32,000
Actuarial losses/(gains)	366,000	(177,000)
Benefits paid	(17,000)	(10,000)
Past service costs	9,000	9,000
At 31 August	<u>2,332,000</u>	<u>1,687,000</u>

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

	2019 £	2018 £
At 1 September	874,000	683,000
Interest income	26,000	19,000
Actuarial gains	25,000	28,000
Employer contributions	120,000	122,000
Employee contributions	32,000	32,000
Benefits paid	(17,000)	(10,000)
At 31 August	<u>1,060,000</u>	<u>874,000</u>

24. Operating lease commitments

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

	academy 2019 £	academy 2018 £
Amounts payable:		
Not later than 1 year	2,711	416
Later than 1 year and not later than 5 years	3,650	624
Total	<u>6,361</u>	<u>1,040</u>

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25. Members' liability

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

26. Related party transactions

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

Ad Meliora Academy Trust purchased professional fees amounting to £71 (2018:£Nil) in relation to Freebridge Community Housing where the Trustee, Andrew Walder is a Director and part-time Chair. The purchase was made at arms length and Andrew Walder did not participate or influence the transaction. There were no amounts outstanding at 31 August 2019 (2018:£nil).