

ADVANTAGE MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2018



ADVANTAGE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members

Philip Dobison
Bhopinder Singh
Gilbert Hughes
Roger Owen
Kaleem Ali

Trustees

Philip Dobison (Chair)
Veronique Gerber
Stuart Ramdeen
Jonathan Rose
Peter Stumpf

Company Secretary

Bernadette Moir

Senior Management Team

Kevin Prunty – Executive Headteacher
Preeti Panesar – Head of School
Jennie Lewis – Deputy Head of School
Mary Gallagher – School Business Manager / CFO (Interim)
Vimalpreet Bhullar – School Business Manager / CFO (from 1 August 2018)

Company Name

Advantage Multi Academy Trust

Principal and registered office

Helsinki Centre
Berkeley Academy
Cranford Lane
Hounslow
TW5 9HQ

Company registered number

10969334

Independent Auditor

MHA MacIntyre Hudson, New Bridge Street House, 30-34 New Bridge Street, London, EC4V 6BJ

Bankers

Lloyds Bank, 39 Threadneedle Street, London EC2R 8AU

Solicitors

Winckworth Sherwood
Minerva House
5 Montague Close
London
SE1 9BB

ADVANTAGE MULTI ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditors' reports of the charitable company for its first period from 19 September 2017 to 31 August 2018. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The company was incorporated on 19 September 2017 as a Multi Academy Trust and on 1 December 2017 the activities of Berkeley Primary School were transferred to it from the London Borough of Hounslow. The trust operates an academy for pupils aged 3 to 11 serving a catchment area in Hounslow, West London. It has a pupil capacity of 472 and had a roll of 462 in the school census on 4th October 2018 but is normally over-subscribed.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of Advantage Multi Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as Advantage Multi Academy. It is also known as ADMAT.

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details on page 1.

Members Liability

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

Trustees' Indemnities

The academy has had a Trustees' Liability Insurance in place since becoming an academy. From 1 December 2017 the insurance is with RPA.

Method of Recruitment and Appointment or Election of Trustees

Subject to Article 50 of the Articles of Association, members may appoint by ordinary resolution up to 9 Trustees. The total number of Trustees including the Chief Executive Officer if they so choose to act a Trustee under Article 57 who are employees of the Academy Trust shall not exceed one third of the total number of Trustees.

The Chief Executive Officer is not currently a Trustee or a member.

The Academy Trust is in the process of appointing a Local Governing Body which will include at least 2 parent local governors. As such, in line with Article 53, there are no parent trustees.

Parent Local Governors are elected to the Local Governing Body in line with Article 54.

Trustees are recruited only after a full skills audit.

The term of office for any Trustee shall be 4 years save the time limit shall not apply to the Chief Executive Officer should he become a Trustee. Any Trustee may be reappointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Academy Trust has a Trustee Induction Policy which provides information and training activities which all new trustees should undertake. On-going training is the responsibility of the Academy Trust and is supported by expertise from within the academy and beyond. Skills audits are updated at least annually and Trustees

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

are required to sign key declarations at least annually.

Organisational Structure

The Academy Trust and the Chief Executive Officer work in partnership on the strategic running of the trust and, at least annually, comprehensively review the thresholds of responsibility and delegation between the Academy Trust and the Chief Executive Officer.

The Chief Executive Officer is the Executive Head of Berkeley Academy, the founding school in Advantage Multi Academy Trust. The Executive Headteacher (or his delegates) is(are) responsible for all operational matters and the day to day running of the academy, overseen by the Academy Trust.

The Chief Executive Officer is the Accounting Officer.

There is a pay related annual cycle of performance management for all staff.

The Academy Trust has responsibility for monitoring its own performance and for its own training. It reports through the Annual General Meeting and is subject to scrutiny by the regulators, Ofsted. It has established protocols for the operation of the Academy Trust, a clear structure, written terms of reference and a regular cycle of meetings and activities.

In 2017/18, the Academy Trust has had an interim structure organised as follows:

- Full Academy Trust (retaining all committee functions)
- Regular meetings between the Chair and the Chief Executive Officer

From 2018/2019, an expanded trust board will operate with the following structure:

- Full Academy Trust
- Regular meetings between the Chair and the Chief Executive Officer
- Pay and performance management committee
- Audit Committee
- Finance Committee
- Safeguarding Committee
- Pupil Discipline Committee
- Staff Dismissal Committee
- Appeals and Complaints Committee
- Executive Headteacher / Deputy Headteacher Appointment Panel

The Academy Trust is subject to external review, scrutiny and validation through a variety of inspections and audits by a range of agencies including OFSTED, MHA MacIntyre Hudson, Responsible Officer visits, the Education and Skills Funding Agency (ESFA), the Health and Safety Executive etc., and reports by these agencies are shared with the Academy Trust and published. The Academy Trust also undertakes a variety of evaluations and satisfaction surveys and monitors key performance indicators. The Academy Trust benchmarks and improves its performance through involvement and leadership of networks of schools and school improvement partnerships.

The founding school, Berkeley Academy, was subject to a full OFSTED inspection in 2014 and has been judged to be **OUTSTANDING** overall in all areas of the inspection framework. The school was also awarded the Basic Skills Quality Mark in 2015 and re-accredited in October 2018. In 2017/18, the academy was successfully assessed for the World Class Schools Quality Mark and this will be awarded in autumn 2018.

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The Chief Executive Officer reports to the Academy Trust regularly through Full Academy Trust meetings and committees and also meets and communicates with the Chair between Academy Trust meetings. The Academy Trust is also kept involved through publications, the MAT website (under development), the academy website (under re-development), and invitations to events and activities.

The Academy Trust monitors the performance of its' schools through a variety of means including through its committee and meetings structure, through probing and questioning, through involvement with the academy and through activities such as regular Health and Safety inspections.

In exceptional or necessary circumstances, the Chair may use his/her powers to deal with urgent needs reporting to the Academy Trust as appropriate.

The Chief Executive Officer and Academy Trust report to parents, pupils and the community through a variety of means including the academy website, reports, letters and magazines, assemblies, the academy's Virtual Learning Environment, etc.

The Academy Trust agrees the broad staffing structure at least annually but delegates to the Chief Executive Officer the flexibility to take opportunities for improvement as they arise or when needs change in the course of the year.

Arrangements for setting pay and remuneration of key management personnel

Trustees are not paid for their role as trustees. Key management personnel are paid on the academy's leadership pay spine to encourage retention and stability and in accordance with the academy's pay policy. The pay structure aims to deliver a high quality education to children.

In setting a pay range for an individual post, the academy trust takes into account key factors such as the nature of the post, the level of qualifications, skills and experience required, market conditions and benchmarking, appropriate differentials between different posts, recruitment and retention factors, independent advice on executive pay and performance, and the wider academy context.

The Pay and Performance Management Committee have clear and robust procedures, which ensure there are no conflicts of interests, for making evidence-based decisions determining:

- executive pay and emoluments,
- other leadership group pay and performance related pay progression,
- teacher pay and performance related progression including movement on the mainscale, transition to the upper pay spine and progression on the upper pay spine,
- non-teaching staff pay ranges and progression (which will not increase at a faster rate than the pay of teachers)

and ensures that decisions about pay and their rationale, including value for money considerations, are documented and reported to the full academy trust for openness and scrutiny.

Although not limited by it, the academy trust reviews any increase to the value of the points on the pay ranges in the context of the annual recommendations of the STPRB.

Performance pay progression may occur within the range established for each post subject to the outcomes of the appraisal process including the last two appraisal meetings, up to the maximum point in the range assigned.

The Chief Executive Officer's performance is reviewed by an Academy Trust Committee with input from an independent external adviser who is suitably experienced and qualified.

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Related parties and other connected charities and organisations.

The Berkeley Academy site hosts Berkeley Pre-School, a separate organisation, which works in partnership with Berkeley Academy. The Pre-School pays a fee to Berkeley Academy for use of its facilities. Two trustees are members of the Pre-School Committee, one of whom is the Chair of that committee.

Cranford Community College is contracted to provide an annual school leadership and management support package for Berkeley Academy. This involves a degree of loaned staffing on a needs basis (determined annually in advance) and at cost. Cranford Community College charges an annual fee for known core elements of this flexible support arrangement and invoices where additional costs are incurred as part of the agreed improvement plan and where capacity exists at Cranford to meet the need. Whilst Berkeley Academy and Cranford Community College are both discrete entities, the Executive Headteacher is the legal Headteacher of both organisations. The Chair of trustees is employed on a casual basis by Cranford Community College undertaking a lead in the academy's international work and two other trustees are permanent employees of Cranford Community College.

Berkeley Academy is the lead primary school in the Cranford Teaching School Alliance and undertakes teacher training and leadership development programmes as part of the alliance.

Berkeley academy is also part of a flexible collaboration between a number of primary and secondary schools and academies known as 'The Cranford Group of Schools' or 'The Cranford Group'. Members 'opt-in' at different levels. At the lowest level, the group operates simply as a joint procurement arrangement for major contracts and at other levels is a school/community improvement collaborative. There is no joint Governance. The Berkeley Academy site also hosts Berkeley Pre-School, a separate organisation but works in partnership with Berkeley Academy. Two trustees of ADMAT are also trustees of Berkeley Pre-School. The Pre-School pays a fee to Berkeley Academy for use of its facilities.

Berkeley Academy is the base for the Heston West Big Local organisation, and its sole employee. HWBL supports community improvement and regeneration in the local area. As a local trusted organisation, Berkeley Academy holds the budget for HWBL until it is able to establish itself as an independent charitable organisation. Berkeley has no control over the use of the budget, which is determined by the HWBL committee in accordance with the funding rules from the National Lottery.

The academy has been a member of the Hounslow Education Partnership (EIP), which is a loose association of Hounslow based education providers and the Hounslow Local Authority. This organisation ceased to exist on 31 October 2018, to be 'replaced' by a new school improvement network, Hounslow Education Partnership, from 1 September 2018.

Berkeley Academy works in partnership with a range of charitable organisations such as 'Teach First' for the training of entrants to teaching and 'First Story' for the development of young creative writers.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The academy trust aims to provide the highest quality education to meet the needs of a locality that is largely without advantage and to offer a choice to the wider community so that the mission of 'Transforming a Community' means in practice that no parent/pupil in this area has a need to choose any other school or academy.

Objectives, Strategies and Activities

The main aims of Advantage Multi Academy Trust in the coming year include:

- To build upon the Ofsted Judgement in Berkeley Academy as an 'Outstanding' academy to ensure 'excellence in all areas' of the academy's provision is maintained and to continue 'transforming a community'.
- To develop the MAT further by supporting other schools and inviting them to join ADMAT
- To manage effectively the financial pressures associated with reductions in grant funding and increased

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running costs without sacrificing the unique identity of being an outstanding education provider in an area of high levels of need

- To share expertise and benefit through wider opportunities such as being part of the Cranford Teaching School Alliance in partnership with Teaching London, membership of additional and broader education improvement networks, through NLG, NLE and NSS activity, through SSAT, and through PiXL etc.,
- To improve further the already high proportion of 'Outstanding' teaching by continued investment in regular support, training and by funding higher level and international professional development (linked to the best performing schools and developing education systems in the world).
- To further develop the international dimension of the trust through establishing links and teacher exchanges with schools in other countries
- To continuously review the staffing structure in the light of a rapidly changing environment.
- To further support local regeneration projects such as the Heston Big West Local
- To generate income, for example through bidding, and in accordance with the academy's object to further improve the resources available to the academy and the community it serves.
- To raise expectations and aspirations further within pupils and their families and within the local community.
- To raise achievement further.
- To plan ahead to make possible further provision for additional pupil numbers in preparation to better meet parental preference in the three local boroughs and to contribute to the provision needed to educate the bulging school aged population.
- To motivate and inspire.
- To celebrate success.
- To encourage the development of healthy, happy and successful learners.
- To involve and engage students.
- To promote equality.
- To provide best value.
- To comply with all statutory requirements.
- To conduct the academy's business in accordance with the highest standards of professionalism, integrity, probity and transparency.
- To ensure the Academy Trust continues to be effective and successful in supporting the academy

Public Benefit

The Academy Trust confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

STRATEGIC REPORT

Achievements and Performance

These are the performance headlines for 2018 for the end of each Key Stage. (The national refers to 2017 national as the 2018 figures were not yet released when this report was written)

Early Years

- The number achieving a Good Level of Development is 75%, compared with a national of 71%

Phonics

- The number passing the Year 1 phonics screen was 88% and is well above the national of 81%

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Key Stage 1

- The percentage of pupils working at or above the expected standard in reading is 87% and is well above national (87 vs 76%)
- The percentage of pupils working at greater depth in reading is 50% and is well above national of 25%
- The percentage of pupils working at or above the expected standard in writing was 76% and well above national of 68%
- The percentage of pupils working at greater depth in writing was 38% and well above national of 16%
- The percentage of pupils working at or above the expected standard in maths was 90%) and well above national of 75%
- The percentage of pupils working at greater depth in maths was 45% and well above national of 21%

Key Stage 2 – Attainment

- The number meeting the expected standard in reading is 70% and is now slightly below the national of 72%
- The number meeting the expected standard in maths is 83% and well above the national of 75%
- The number meeting the expected standard in writing was 87% and well above the national 76%
- The number meeting the expected standard in SPAG was 69% and above the national of 61%
- The number meeting the combined expected standard was 69% and is above national of 61%

Key Financial Performance Indicators

Finance Performance Indicator Performance

Budget setting	Detailed budget set by Headteacher, Education Business Manager (EBM) and approved by the Academy Trust.
Budget monitoring	Continuous monitoring by EBM, Head/Chair of Finance Committee monthly, budget holders monthly, Academy Trust termly.
Staying within budget	No deficits.
Sound systems & controls	Evidenced by Responsible Officer visits and audit and use of comprehensive Financial Regulations Manual. Outstanding audit & RO outcomes. Sound financial management maximises expenditure opportunities to further our students' education and life chances.
Debtors pursued	Regular invoicing and follow up.
Reconciliations	All monthly and annual reconciliations completed.
Cash Flow	Forecasted, monitored and always sufficient.
Reserves	Adequate reserves for emergencies and to fund planned, forthcoming major developments within the academy.
Adequate insurance	Comprehensive insurance to cover and manage risk.
Payroll administration	Sound authorisation procedures and separation of duties between HR and payroll. Accurate payroll processing is also a factor in staff morale.
Academy Trust oversight	Experienced Trustees, Register of Interests completed, meetings in line with schedule.
Fixed Asset administration	New assets recorded, depreciation applied, asset register maintained and disposals authorised, fixed asset marking.
Audit Findings	The first audit since becoming an academy demonstrates good financial

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management by the trust.

Such sound financial management maximises income, time and resources available to be devoted to student outcomes which in turn maximises student recruitment.

Going Concern

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

FINANCIAL REVIEW

The company was incorporated on 19 September 2017 as a Multi Academy Trust and on 1 December 2017 the activities of Berkeley Primary School were transferred to it from the London Borough of Hounslow. The value of assets transferred on conversion can be found in note 22 to the financial statements and totalled £4,851,120, included in income as a donation. When excluding this one off item, income of £1,796,173 was generated for the 9 months of operations, compared with expenditure of £1,722,886 which includes depreciation of £92,668 charged to the restricted fixed asset fund.

Most of the academy's income is obtained from the Education Funding Agency in the form of recurrent grants. These grants for the period 1 December 2017 to 31 August 2018 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities (SOFA), as is the academy's SEN income from the Local Authority.

The Restricted Fixed Asset Fund is reduced by annual depreciation charges over the expected useful life of assets.

The academy's Pupil Premium for the period 1 December 2017 to 31 August 2018 totalled £146,410 and contributed to after school and holiday booster classes and a high level of Teaching Assistant presence in classrooms. Pupil Premium and related funding is reducing rapidly with changes to parents' eligibility for 'free school meals' (fsm).

The Academy Trust follows the Local Financial Regulations Manual which consists of three parts; an introductory section explaining the reasons for and the importance of the regulations, followed by the Academies Financial Handbook (which has been adopted in full by the Academy Trust), and finally the academy's own local financial regulations and explanatory guidance. This handbook details the roles of the Accounting Officer, the Principal Finance Officer, the Responsible Officer, and other staff.

The requirement for Register of Interests is covered fully and then detailed local procedures such as finance system access, back-up procedures, transaction authorisation and processing, reconciliation processes, financial planning, construction of and authorisation of the annual budget, budget monitoring, payroll controls, staff appointments, purchasing regulations including tenders, receipt of and processing of income of all kinds, cash management, access to bank accounts and petty cash, and fixed asset checks and disposals. The latter section of the Financial Regulations Manual is an Illustrative Guidance for Staff regarding value for money considerations, travel reimbursement regulations, discount/rewards schemes, and expense reclaims. The academy does not operate any 'allowance' schemes.

Reserves Policy

The Academy Trust reviews the reserves levels of the academy periodically. The review looks at income streams, expenditure and the need to match income with commitments. The Trustees have determined the level of free reserves should be at least £80,000 in order to provide sufficient funds to cover delays between spending and receipts of grants and to provide for unexpected emergencies. The academy's current level of free reserves is £399,537 across both non-Gag restricted and unrestricted fund. The level of free reserves is essential to operate prudently in a harsh financial climate.

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Reserves Policy (continued)

At 31 August 2018 the total funds comprised:

Unrestricted	£399,537
Restricted GAG	£205,018
Pension reserve	£(876,000)
Restricted fixed asset	£5,290,852
	<u>£5,019,407</u>

Principal Risks and Uncertainties

The academy's financial and other risks have been assessed by the Academy Trust, Accounting Officer and Chief Financial Officer in the risk register and systems, controls, procedures and, where applicable, insurance is in place to mitigate the risks. All this information is held in a comprehensive risk register spreadsheet, reviewed and approved annually by the Academy Trust. The risks covered are Strategic Risk, Public Profile, Governance, Management Information, HR, Income, Supplier, Employee Legislation, Environmental Legislation, Financial Reporting, Charities Legislation, Tax Legislation, Data Protection Act, Welfare compliance, National Curriculum compliance, Mental Health Compliance, overall financial control, financial systems, expenditure, cash flow, bank collapse, capital construction, asset recognition, fraud, investment, recognition of stock, payroll, debtors, related party transactions and pension compliance. Growing risks include the introduction of GDPR, over provision of places in the locality, worsening budget pressures, political uncertainties following the referendum on EU membership and additional regulation of safeguarding.

Fundraising

Since becoming an academy in December 2017, Berkeley Academy has undertaken two fundraising events: A Winter Wonderland event, and a Summer Fair. Funds raised have been spent on fundraising activities, wider curriculum days and school resources.

PLANS FOR FUTURE PERIODS

Aims and objectives as outlined earlier in this report are under continuous review.

In its first full year of operation (2018/19), the trust intends to expand its membership and committee structure. It will develop local governing bodies only as it expands. It maintains only a skeletal central staff at present but this is expected to grow as the MAT develops.

ADMAT is seeking to have other schools join the trust. It is currently seeking to achieve this through grant funding, either through its MDIF (MAT Development & Improvement Fund) grant or sponsorship of another primary in the region.

Staffing: The academy will continue to make staffing retention and stability one of its highest priorities, it sees this as one of the key factors in the academy's success. It will continue to invest heavily in teacher training and continuous professional development including leadership development as well as developing a coherent and comprehensive approach to staff and student well-being, good mental health, work-life balance, reduction of workload, and a commitment to reducing bureaucracy. It will prepare for the new style of Ofsted inspection, continue to seek growth opportunities for staff and students beyond the academy itself, and encourage international CPD, teacher exchanges and, where needed, international teacher recruitment. The academy will continue to offer and gain from involvement in networks and offering system leadership including investigating becoming a sponsor for another school and expanding the MAT in other ways. The academy will maintain its commitment to minimise the use of agency staff for long-term cover wherever possible and to minimise the use of day-to-day supply staff. 2018/19 will also see a review of the support staff structure within the academy.

Sites, Premises and Projects: Safeguarding and Health and Safety will remain at the forefront of our

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priorities. Safeguarding staff and students outside of school will be a particular focus for the academy, and with partners, in the coming year. The academy will commission a range of surveys and audits to support CIF and other bids for site and premises projects to government and other bodies such as business and charitable foundations. In particular, the trust envisages bidding, via CIF, to improve safeguarding of the site including the movement of reception to the front gates. It is envisaged that this provision, which will include a community resource, will be developed in collaboration with other partners such as Berkeley Pre-School, HWBL, CCC, etc. A CIF bid in the coming round will be dependent upon capacity and readiness but a bid submission in the following year is more certain. Major projects will depend on successful bidding but the site and premises will be subject to constant surveying and routine maintenance by approved contractors. The academy is not currently planning to increase its PAN although it is investigating the possibility of bidding in 2018 for approximately £750,000 capital funding for a new build nursery provision under the School Nursery Capital Fund (SNCF) to open all year round provision for around 24 children by leasing the plot of land where the former Caretaker's house is situated. The intention would be to commission the running of the new provision in partnership with the Pre-School provider on site. Future CIF bids will include further funding to improve fire safety. The academy trust is also going out to tender, with other local partners, for the Grounds Maintenance Contract (expires 31 March 2019) and the ICT Managed Service Contract (expired 31 August 2018). It will also be undertaking a procurement exercise for its auditor and RO provider, its catering provider, its HR provider and its payroll providers to ensure value for money from each. The academy and MAT have commissioned new websites and are developing a social media strategy. The academy has a planned use of capital reserves of £250,000 for 2018/19.

Curriculum: Overall the academy is seeking a period of stability with the main curriculum and assessment with the foci being instead on accelerating progress between KS1 and Key Stage 2, narrowing the gap, challenging the most able and further improving reading. Resources will be deployed to minimise in-school variation and in particular to ensure that progress is high in years 3 and 4. Additional provision is being considered for PSHCE, particularly in the light of the recent national consultation. The academy will continue to develop its action research projects as part of the Somali Achievement Project, with the University of Minnesota and other international partners working in this field of education improvement. The academy will review the benefits of membership of HEP. In 2018/2019, it is expected to develop a new methodology for allocating capitation in order to better target and evaluate the impact of budget allocations.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

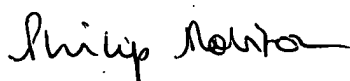
Berkeley Academy is the locally trusted organisation for the Heston West Big Local, an organisation that supports community improvement and regeneration in the local area. This involves National Lottery grants held by the school for the administration of Big Local funds. See note 27 to the financial statements for details of amounts held at the year end.

AUDITOR

In so far as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 11 December 2018 and signed on the board's behalf by:



Philip Dobison
Chair of Trustees

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GOVERNANCE STATEMENT
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SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that ADMAT 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 Officer, 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 ADMAT 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 MAT has been in existence for a part-year. The Board of Trustees has formally met 2 times during the period 1 December 2017 to 31 August 2018.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Philip Dobison (Chair)	2	2
Veronique Gerber	2	2
Stuart Ramdeen	2	2
Jonathan Rose	2	2
Peter Stumpf	2	2

Governance review:

ADMAT will undertake a governance review prior to the first anniversary of becoming a multi academy trust. Finance and audit activities are undertaken by the full board of trustees in trustee meetings.

REVIEW OF VALUE FOR MONEY

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

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

- Intense day-to-day monitoring of the full budget by the Education Business Manager and regular reporting to the Accounting Officer and Academy Trust.
- Exploiting any new income generation possibilities to make up for falling budgets e.g. the Big Local
- Full financial checks done for any new prospective contractors.

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 Advantage Multi Academy Trust for the period 1 December 2017 to 31 August 2018 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

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**GOVERNANCE STATEMENT
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operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1st December 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have engaged a peer review to perform additional checks.

The peer review role includes performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- Fixed Assets and Inventory
- Expenditure
- Governance and Procedures
- Payroll and Recruitment
- Contracts and Procurement
- Lettings and Income Generation

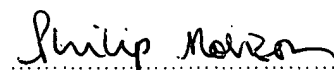
REVIEW OF EFFECTIVENESS

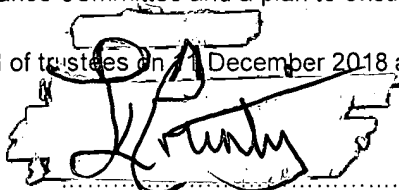
As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the peer review;
- 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 internal control by the Audit Committee and Finance Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 31 December 2018 and signed on its behalf by:


Philip Dobson
Chair of Trustees


Kevin Prunty
Accounting Officer

ADVANTAGE MULTI-ACADEMY TRUST

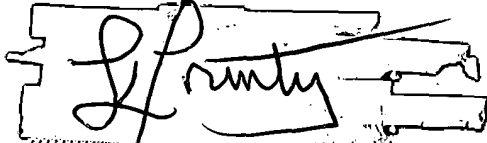
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Advantage Multi 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 2017.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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.

A handwritten signature in black ink, appearing to read 'K Prunty', is written over a rectangular stamp area.

Kevin Prunty
Accounting Officer

ADVANTAGE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 AUGUST 2018

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

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

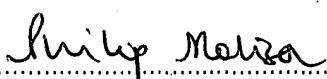
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 11 December 2018 and signed on its behalf by:


.....
Phillip Dobison
Chair of Trustees

ADVANTAGE MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ADVANTAGE MULTI ACADEMY TRUST**

OPINION

We have audited the financial statements of Advantage Multi Academy Trust (the 'Trust') for the period ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, 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 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and 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 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 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.

ADVANTAGE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ADVANTAGE MULTI ACADEMY TRUST**

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. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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.

ADVANTAGE MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ADVANTAGE MULTI ACADEMY TRUST**

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the 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 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 Trust or to cease operations, or have no realistic alternative but to do so.

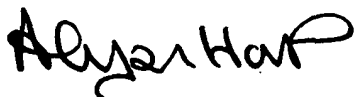
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 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 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 Trust and its Members, as a body, for our audit work, for this report, or for the opinions we have formed.



Alyson Howard FCCA DChA CF (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

71 New Dover Road
Canterbury
Kent
CT1 3DZ

Date: 20 December 2018

ADVANTAGE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ADVANTAGE MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 24 May 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Advantage Multi Academy Trust during the period 1 December 2017 to 31 August 2018 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 Advantage Multi 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 Advantage Multi Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Advantage Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of Advantage Multi Academy Trust's funding agreement with the Secretary of State for Education dated 29 November 2017, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 December 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

ADVANTAGE-MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ADVANTAGE
MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

The work undertaken to draw our conclusions include:

- Reviewing the Minutes of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- A review of the objectives and activities of the Trust, with reference to the income streams and other information available to us as auditors;
- Testing a sample of payroll payments to staff;
- Testing a sample of payments to suppliers and other third parties;
- Testing a sample of grants received and other income streams; and
- Evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Accounting Officer.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 December 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MacIntyre Hudson

Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

71 New Dover Road
Canterbury
Kent
CT1 3DZ

Date: *20 December 2018*

ADVANTAGE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
INCOME FROM:					
Donations & capital grants:					
Transfers on conversion	2	394,575	(918,000)	5,374,545	4,851,120
Other donations and capital grants	2	3,895	1,256	8,975	14,126
Charitable activities	3	2,841	1,771,711	-	1,774,552
Other trading activities	4	7,358	-	-	7,358
Investments	5	137	-	-	137
TOTAL INCOME		408,806	854,967	5,383,520	6,647,293
EXPENDITURE ON:					
Charitable activities		9,269	1,620,949	92,668	1,722,886
TOTAL EXPENDITURE	6	9,269	1,620,949	92,668	1,722,886
NET BEFORE OTHER RECOGNISED GAINS AND LOSSES					
		399,537	(765,982)	5,290,852	4,924,407
Actuarial gains on defined benefit pension schemes	23	-	95,000	-	95,000
NET MOVEMENT IN FUNDS		399,537	(670,982)	5,290,852	5,019,407
RECONCILIATION OF FUNDS:					
Total funds brought forward		-	-	-	-
TOTAL FUNDS CARRIED FORWARD		399,537	(670,982)	5,290,852	5,019,407

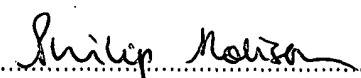
The notes on pages 23 to 44 form part of these financial statements.

ADVANTAGE MULTI-ACADEMY TRUST**(A Company Limited by Guarantee)****REGISTERED NUMBER: 10969334**

BALANCE SHEET**AS AT 31 AUGUST 2018**

	Note	£	2018 £
FIXED ASSETS			
Tangible assets	15		5,281,877
CURRENT ASSETS			
Debtors	16	161,416	
Cash at bank and in hand		555,090	
		<u>716,506</u>	
CREDITORS: amounts falling due within one year	17	(102,976)	
NET CURRENT ASSETS			<u>613,530</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,895,407</u>
Defined benefit pension scheme liability	23		(876,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>5,019,407</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted general funds	18	205,018	
Restricted fixed asset funds	18	5,290,852	
		<u>5,495,870</u>	
Restricted funds excluding pension liability			
Restricted general funds - pension reserve		(876,000)	
		<u></u>	
Total restricted funds			4,619,870
Unrestricted funds	18		399,537
TOTAL FUNDS			<u><u>5,019,407</u></u>

The financial statements on pages 20 to 44 were approved by the Trustees, and authorised for issue, on 11 December 2018 and are signed on their behalf, by:


.....
Phillip Dobison
Chair of Trustees

The notes on pages 23 to 44 form part of these financial statements.

ADVANTAGE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2018

	Note	2018 £
Cash flows from operating activities		
Net cash provided by operating activities	20	<u>151,403</u>
Cash flows from investing activities:		
Investment income		137
Capital grants from DfE Group		<u>8,975</u>
Net cash provided by investing activities		<u>9,112</u>
Cash and net assets transferred on conversion to an Academy Trust		<u>394,575</u>
Net cash provided by financing activities		<u>394,575</u>
Change in cash and cash equivalents in the period		<u>555,090</u>
Cash and cash equivalents brought forward		-
Cash and cash equivalents carried forward	21	<u><u>555,090</u></u>

The notes on pages 23 to 44 form part of these financial statements.

ADVANTAGE MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Advantage Multi Academy Trust constitutes a public benefit entity as defined by FRS 102. The financial statements are prepared in sterling which is the functional currency of the Trust and rounded to the nearest pound.

1.2 Company status

The Trust is a company limited by guarantee, incorporated in England and Wales. The members of the company are the Trustees named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per member of the Trust. The nature of the Trust's operation and principal activity are in the Trustees Report.

1.3 Going concern

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

1.4 Fund accounting

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

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

ADVANTAGE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.5 Income

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

Grants are included in the Statement of Financial Activities 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 period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

1.6 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

ADVANTAGE MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)**1.7 Tangible fixed assets and depreciation**

All assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold property	- 50 years straight line
Furniture and fixtures	- 2-5 years straight line
Plant and equipment	- 1-3 years straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

1.8 Operating leases

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

1.9 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.

1.10 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.11 Liabilities and provisions

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

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. 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 costs as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 Taxation

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

1.15 Conversion to an Academy Trust

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

The assets and liabilities transferred on conversion from Berkeley Primary School to an Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 22.

ADVANTAGE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.16 Agency arrangements

Berkeley Academy is the locally trusted organisation for the Heston West Big Local, an organisation that supports community improvement and regeneration in the local area. This involves National Lottery grants held by the school for the administration of Big Local funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2018. 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.

Any change in the valuation of Leasehold Property (see Note 15) would impact the total net assets of the Trust.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Transfers on conversion	394,575	(918,000)	5,374,545	4,851,120
Donations	3,895	1,256	-	5,151
Capital grants	-	-	8,975	8,975
Subtotal	3,895	1,256	8,975	14,126
	398,470	(916,744)	5,383,520	4,865,246

Transfers on conversion are detailed further in Note 22.

3. CHARITABLE ACTIVITIES - FUNDING FOR EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	1,420,481	1,420,481
Pupil Premium	-	146,410	146,410
Other DfE/ESFA revenue grants	-	49,313	49,313
	-	1,616,204	1,616,204
Other Government grants			
Local Authority revenue grants	-	122,719	122,719
	-	122,719	122,719
Other funding			
Other Educational income	2,841	32,788	35,629
	2,841	32,788	35,629
Total 2018	2,841	1,771,711	1,774,552

There are no unfulfilled conditions or other contingencies attached to the government grants above.

ADVANTAGE MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £
Hire of facilities	7,358	-	7,358

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £
Bank interest receivable	137	-	137

6. TOTAL EXPENDITURE

	Staff costs 2018 £	Premises costs 2018 £	Other costs 2018 £	Total 2018 £
Charitable activities:				
Direct costs	815,379	-	181,471	996,850
Support costs	453,234	57,117	215,685	726,036
	1,268,613	57,117	397,156	1,722,886

7. ANALYSIS OF EXPENDITURE BY CHARITABLE ACTIVITIES

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £
Educational operations	996,850	726,036	1,722,886

ADVANTAGE MULTI-ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018

8. TOTAL DIRECT COSTS

	Educational operations £	Total 2018 £
Teaching and learning costs	54,652	54,652
Technology costs	63,321	63,321
Other costs	63,498	63,498
Direct staff costs	815,379	815,379
	<u>996,850</u>	<u>996,850</u>

9. TOTAL SUPPORT COSTS

	Educational operations £	Total 2018 £
Defined benefit pension scheme finance cost	18,000	18,000
Technology costs	357	357
Premises costs	57,117	57,117
Other costs	105,317	105,317
Governance costs	17,343	17,343
Support staff costs	435,234	435,234
Depreciation	92,668	92,668
	<u>726,036</u>	<u>726,036</u>

10. GOVERNANCE COSTS

	2018 £
Auditors' remuneration - Audit of the financial statements	6,750
Auditors' remuneration - Other services	5,825
Legal and professional fees	4,768
Total	<u>17,343</u>

ADVANTAGE MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018

11. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £
Depreciation of tangible fixed assets: - owned by the Trust	92,668
Auditors' remuneration - Audit of the financial statements	6,750
Auditors' remuneration - Other services	5,825
Operating lease rentals	1,478
	<hr/> <hr/>

12. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £
Wages and salaries	797,978
Social security costs	60,514
Pension costs	170,941
	<hr/>
	1,029,433
Agency staff costs	221,180
Defined benefit pension scheme finance cost	18,000
	<hr/> <hr/>
	1,268,613

b. Staff numbers

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

	2018 No.
Teachers	18
Administration and support	27
Management	3
	<hr/>
	48
	<hr/> <hr/>

No employee received remuneration amounting to more than £60,000 in either year.

c. Key management personnel

The Key Management Personnel of the Trust comprise the Trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer national insurance contributions and employer pension contribution contributions) received by Key Management Personnel for services to the Trust was £165,483.

ADVANTAGE MULTI ACADEMY TRUST**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018**

13. TRUSTEES' REMUNERATION AND EXPENSES

During the period, no Trustees received any remuneration.

During the period, no Trustees received any benefits in kind.

During the period ended 31 August 2018, expenses totalling £232 were reimbursed to 2 Trustees.

14. TRUSTEES' AND OFFICERS' INSURANCE

The Trust has opted into the Department for 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.

15. TANGIBLE FIXED ASSETS

	Leasehold Land and Buildings £	Plant and equipment £	Furniture and fittings £	Total £
Cost				
At 1 December 2017	-	-	-	-
Transfers on conversion	5,339,140	945	34,460	5,374,545
At 31 August 2018	5,339,140	945	34,460	5,374,545
Depreciation				
At 1 December 2017	-	-	-	-
Charge for the period	80,087	401	12,180	92,668
At 31 August 2018	80,087	401	12,180	92,668
Net book value				
At 31 August 2018	5,259,053	544	22,280	5,281,877

The leasehold property was professionally valued on 21 December 2017 by a RICS Registered Valuer for the Valuation Office Agency using the Depreciated Replacement Cost method. The Trustees consider that the valuation remains appropriate for the purposes of these financial statements.

16. DEBTORS

	2018 £
VAT recoverable	76,541
Other debtors	3,639
Prepayments and accrued income	81,236
	<u>161,416</u>

ADVANTAGE MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018

17. CREDITORS: Amounts falling due within one year

	2018 £
Trade creditors	32,853
Pension contributions payable	17,816
Accruals and deferred income	52,307
	<hr/>
	102,976
	<hr/>
	£
Deferred income	
Resources deferred during the year	24,961
Deferred income at 31 August 2018	24,961
	<hr/>

At the balance sheet date the Trust was holding funds received in advance for;

- UIFSM for the period September 2018 to March 2019

ADVANTAGE MULTI-ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018**

18. STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 December 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds					
Unrestricted general funds	-	408,806	(9,269)	-	399,537
Restricted general funds					
General Annual Grant (GAG)	-	1,420,481	(1,215,463)	-	205,018
Pupil Premium	-	146,410	(146,410)	-	-
Other DfE Group revenue grants	-	49,313	(49,313)	-	-
Local Authority revenue grants	-	122,719	(122,719)	-	-
Other Educational income	-	32,788	(32,788)	-	-
Other activities	-	1,256	(1,256)	-	-
Pension reserve	-	(918,000)	(53,000)	95,000	(876,000)
	-	854,967	(1,620,949)	95,000	(670,982)
Restricted fixed asset funds					
NBV of fixed assets	-	5,374,545	(92,668)	-	5,281,877
DfE/ESFA capital grants	-	8,975	-	-	8,975
	-	5,383,520	(92,668)	-	5,290,852
Total restricted funds	-	6,238,487	(1,713,617)	95,000	4,619,870
Total of funds	-	6,647,293	(1,722,886)	95,000	5,019,407

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

The unrestricted General fund has been created to recognise the income and expenditure in respect of activities undertaken by the Trust which fall outside the scope of its core activities.

The General Annual Grant (GAG) represents the core funding for the educational activities of the Trust via the Education and Skills Funding Agency (ESFA) by the Department for Education (DfE). The GAG fund has been established because the GAG must be used for the normal running costs of the Trust.

The Pupil Premium fund has been established to recognise the restricted funding received from the Education and Skills Funding Agency to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

The Other DfE/ESFA Grants fund has been created to recognise the restricted funding received from the Department for Education/Education and Skills Funding Agency which fall outside the scope of core funding.

ADVANTAGE MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018

18. STATEMENT OF FUNDS - CURRENT YEAR (continued)

The Local Authority Grants fund has been set up to recognise the income received from the London Borough of Hounslow as a contribution towards the cost of the Trust's revenue expenditure. Funding received for Special Educational Needs is also recognised within Local Authority Grants. These funds are to assist with the costs of providing disadvantaged students with the additional educational resources that they require.

The Other Government Grants fund has been set up to recognise the restricted funding received from all other Government bodies which fall outside the scope of core funding.

The Other Activities fund has been established to recognise all other restricted income and expenditure which falls outside the scope of the Trust's core funding.

The Pension reserve has been created to separately identify the Trust's share of the pension deficit inherited on the LGPS Pension scheme from the Local Authority upon conversion to Academy status, and through which all the pension scheme movements are recognised.

The NBV of Fixed Assets fund has been set up to recognise the tangible assets held by the Trust and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is charged through this fund.

The DfE/ESFA Capital grants fund has been created to recognise capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the NBV of Fixed Assets fund.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	5,281,877	5,281,877
Current assets	399,537	307,994	8,975	716,506
Creditors due within one year	-	(102,976)	-	(102,976)
Defined benefit pension scheme liability	-	(876,000)	-	(876,000)
	<u>399,537</u>	<u>(670,982)</u>	<u>5,290,852</u>	<u>5,019,407</u>

ADVANTAGE MULTI-ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018**

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

	2018 £
Net income for the year (as per Statement of Financial Activities)	4,924,407
Adjustment for:	
Depreciation charges	92,668
Investment income	(137)
Increase in debtors	(161,416)
Increase in creditors	102,976
Capital grants from DfE and other capital income	(8,975)
Defined benefit pension scheme obligation inherited	918,000
Defined benefit pension scheme cost less contributions payable	35,000
Defined benefit pension scheme finance cost	18,000
Net (loss) on assets and liabilities from local authority on conversion	(5,769,120)
Net cash provided by operating activities	151,403

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £
Cash in hand	555,090
Total	555,090

ADVANTAGE MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018

22. CONVERSION TO AN ACADEMY TRUST

On 1 December 2017 Berkeley Primary School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Advantage Multi Academy Trust from the London Borough of Hounslow for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations - transfer from local authority on conversion

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Leasehold land and buildings	-	-	5,339,140	5,339,140
- Other tangible fixed assets	-	-	35,405	35,405
Budget surplus/(deficit) on LA funds	394,575	-	-	394,575
LGPS pension deficit	-	(918,000)	-	(918,000)
Net assets/(liabilities)	<u>394,575</u>	<u>(918,000)</u>	<u>5,374,545</u>	<u>4,851,120</u>

The above net assets include £394,575 that were transferred as cash.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018**

23. PENSION COMMITMENTS

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

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

Contributions amounting to £17,816 were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £45,879.

ADVANTAGE MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018**

23. PENSION COMMITMENTS (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate Trustee-administered funds. The total contribution made for the period ended 31 August 2018 was £42,736., of which employer's contributions totalled £33,473. and employees' contributions totalled £9,263. The agreed contribution rates for future years are 5.5% to 12.5% for employers and 31.5% for employees.

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

Principal actuarial assumptions:

	2018
Discount rate for scheme liabilities	2.65 %
Expected return on scheme assets at 31 August	5.00 %
Rate of increase in salaries	3.80 %
Rate of increase for pensions in payment / inflation	2.30 %
Inflation assumption (RPI)	3.30 %
Inflation assumption (CPI)	2.30 %
Commutation of pensions to lump sums	50.00 %

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

	2018
Retiring today	
Males	21.5
Females	25.2
Retiring in 20 years	
Males	23.7
Females	27.5

	At 31 August 2018 £
Sensitivity analysis	
Discount rate +0.1%	(38,000)
Discount rate -0.1%	39,000
Mortality assumption - 1 year increase	50,000
Mortality assumption - 1 year decrease	(48,000)

ADVANTAGE MULTI ACADEMY TRUST**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018**

23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £
Equities	415,000
Gilts	33,000
Other bonds	54,000
Property	34,000
Cash and other liquid assets	16,000
Absolute return portfolio	124,000
Total market value of assets	<u>676,000</u>

The actual return on scheme assets was £28,000.

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

	2018 £
Current service cost	(69,000)
Interest income	12,000
Interest cost	(30,000)
Total	<u>(87,000)</u>

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

	2018 £
Upon conversion	1,523,000
Current service cost	69,000
Interest cost	30,000
Employee contributions	9,000
Actuarial gains	(79,000)
Closing defined benefit obligation	<u>1,552,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018

23. PENSION COMMITMENTS (continued)

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

	2018 £
Upon conversion	605,000
Interest income	12,000
Actuarial gains	16,000
Employer contributions	34,000
Employee contributions	9,000
	<hr/>
Closing fair value of scheme assets	676,000
	<hr/>

Reconciliation of opening to closing Defined Benefit Pension Scheme liability

	2018 £
Transferred on conversion	918,000
Defined benefit pension scheme cost less contributions payable	35,000
Defined benefit pension scheme finance cost	18,000
Actuarial (gains)	(95,000)
	<hr/>
Balance carried forward at 31 August	876,000
	<hr/>

The amounts recognised in the Balance Sheet are as follows:

	2018 £
Present value of the defined benefit obligation	(1,552,000)
Fair value of the scheme assets	676,000
	<hr/>
Total	(876,000)
	<hr/>

ADVANTAGE MULTI ACADEMY TRUST**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018**

24. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £
Amounts payable:	
Within 1 year	87,642
Between 1 and 5 years	199,426
Total	<u>287,068</u>

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 Trust 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Cranford Community College is contracted to provide an annual school leadership and management support package for Berkeley Academy. This involves a degree of loaned staffing on a needs basis (determined annually in advance) and at cost. Cranford Community College charges an annual fee for known core elements of this flexible support arrangement and invoices where additional costs are incurred as part of the agreed improvement plan and where capacity exists at Cranford to meet the need. Whilst Berkeley Academy and Cranford Community College are both discrete entities, the Executive Headteacher is the legal Headteacher of both organisations. The Chair of Trustees is employed on a casual basis by Cranford Community College undertaking a lead in the academy's international work and two other Trustees are permanent employees of Cranford Community College. In the period ended 31 August 2018, fees of £26,380 were charged by Cranford Community College to ADMAT and are shown within expenditure. Of this, £1,325 was outstanding at the balance sheet date and is included within current liabilities.

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NOTES TO THE FINANCIAL STATEMENTS
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27. AGENCY ARRANGEMENTS

Berkeley Academy is the locally trusted organisation for the Heston West Big Local, an organisation that supports community improvement and regeneration in the local area. This involves National Lottery grants held by the school for the administration of Big Local funds. During the period ADMAT received income of £86,924 and paid out expenditure of £85,593. An administration fee of 5% of income is retained by Berkeley Academy for administering the funds, amounting to £4,346 recognised in income. A balance of £3,015 was therefore owed to ADMAT by the Big Local organisation at 31 August 2018, included in Other Debtors.

28. CONTROLLING PARTY

There is no ultimate controlling party.