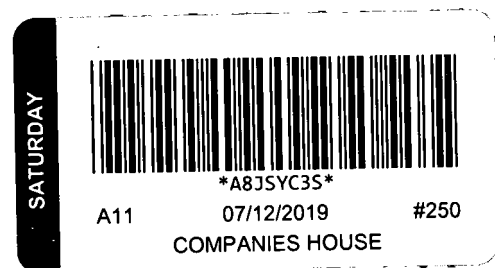


Amery Hill School Academy Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2019

Company Registration Number:
07760509 (England and Wales)



Amery Hill School Academy Trust

Contents

	Page
Reference and Administrative Details	1
Trustees' Report	3
Governance Statement	10
Statement on Regularity, Propriety and Compliance	14
Statement of Trustees' Responsibilities	15
Independent Auditor's Report on the Financial Statements	16
Independent Reporting Accountant's Report on Regularity	19
Statement of Financial Activities incorporating Income & Expenditure Account	22
Balance Sheet	23
Statement of Cash Flows	24
Notes to the Financial Statements	25

Amery Hill School Academy Trust

Reference and Administrative Details

Members:

D Holland

J Wilde

S Mann (appointed 1 September 2018)

L Vickery (appointed 9 September 2019)

Trustees:

O Austin

P Canale

M Colley (resigned 5 February 2019)

S Cooney

A Hall (appointed 1 September 2018, resigned 4 January 2019)

D Holland

R Kemp (appointed 1 February 2019)

G Lister (appointed 1 September 2018)

J Lyle (appointed 1 May 2019)

S Mann (appointed 1 September 2018)

A Miles (resigned 9 September 2019)

D Motyka (appointed 1 December 2018, resigned 22 May 2019)

L Mouland (resigned 31 August 2019)

A Neele (resigned 5 February 2019)

S Parker

L Vickery

J Wilde

Company Secretary

J Edmunds

Senior Management Team:

S Mann, Headteacher

M Gibbs, Deputy Headteacher

J Eacott, Assistant Headteacher

A Lee, Assistant Headteacher

J Riley, Assistant Headteacher

J Edmunds, School Business Manager

Company Name

Amery Hill School Academy Trust

Amery Hill School Academy Trust

Reference and Administrative Details

Principal and Registered Office

Amery Hill
Alton
Hampshire
GU34 2BZ

Company Registration Number

07760509 (England and Wales)

Independent Auditor

Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Bankers

Lloyds Bank Plc
16a High Street
Cosham
Portsmouth
Hampshire
PO6 3BY

Amery Hill School Academy Trust

Trustees' Report

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

The trust operates an academy for students aged 11 to 16 serving a catchment area in Alton and surrounding areas. Amery Hill has a student capacity of 1,000 and had a roll of 919 in the school summer census on 16 May 2019.

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 Amery Hill School Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Amery Hill School.

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

Members' Liability

Each member of the 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

Trustees' third party indemnity is covered by a policy of insurance with RPA (Risk Protection Arrangement for academy trusts), procured under a government approved framework.

Method of Recruitment and Appointment or Election of Trustees

The Academy appoints Trustees in accordance with clauses 50 to 64 of its Articles of Association. Parent Trustee vacancies are filled through advertisement and election whilst staff Trustee vacancies are notified internally and appointed on the basis of a staff vote. Other Trustee appointments are addressed through personal recommendation and consideration by the whole Board of Trustees followed up, where appropriate, with an interview by senior Trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees

A fellow Trustee is appointed to act as mentor to a new Trustee. New Trustees are given a guided and detailed tour of the school, a comprehensive induction pack and access to a training programme provided by a third party.

Amery Hill School Academy Trust

Trustees' Report

Organisational Structure

In accordance with the Articles of Association, we have a tiered structure. The Trust functions in line with the Articles. The full Board of Trustees and its committees each have their own terms of reference which governs their remit and operation. The Headteacher has been appointed as Principal in line with clause 104 and also the Academy's Accounting Officer. This role is set out in the terms of reference of the full Board of Trustees.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration for all staff are set in line with the Staff Pay Policy. The Board of Trustees will set salary ranges for staff on the leadership pay range having regard to the content of the School Teachers' Pay and Conditions Document. Any salary determinations made are only permanent whilst the teacher remains employed at this school. All determinations made by the Board of Trustees in relation to setting the pay ranges of members of the leadership group will be formally recorded in minutes, along with the rationale for the determinations made.

Trade union facility time

- Relevant union officials – 2 (full-time equivalent employee number: 2)
- Percentage of time spent on facility time – nil
- Percentage of pay bill spent on facility time – nil
- Paid trade union activities – nil

Related Parties and other Connected Charities and Organisations

We are part of the Weydon Teaching Alliance and use this partnership to further educational training for staff. We cooperate with Treloars Trust in the pursuit of charitable activities.

Objectives and Activities

Objects and Aims

- a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy"); and
- b) to promote for the benefit of individuals living in Alton and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

Objectives, Strategies and Activities

The main objectives of the year are laid out in the School Improvement Plan for 2018-21.

Public Benefit

We confirm that Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Amery Hill School Academy Trust

Trustees' Report

Strategic Report

Achievements and Performance

2019 Headline Results

Much has been said in the media about the more rigorous and content driven GCSEs and the greater pressures that our students have had to manage over the last few years. It is therefore to their credit that the results achieved have demonstrated that with high quality teaching and a caring and supportive ethos, potential can be achieved and all of our students can move on to the next stage of their learning and education with confidence, passion and an excitement for the future.

Overall Progress and Attainment

The attainment of students at Amery Hill goes from strength to strength with this projected to be within the top 20% of schools nationally. Progress in English and Maths are provisionally expected to be above the national average as well as attainment in the challenging EBacc suite of subjects, where both the number of students entered and attainment are projected to be above national outcomes.

Attainment 8 (Prov.)	50.3	The average attainment score students have achieved in their GCSEs – estimated to be in the top 20% nationally.
Progress 8 (Prov.)	0.01	A measure showing the progress students have made from their primary school starting points – this is estimated to be slightly above that seen nationally.
EBacc Entry %	55%	The percentage of students entered for the challenging EBacc suite of qualifications (English, Maths, Science, a humanities subject and a language) This is expected to exceed the national average.
EBacc 9-5 %	24%	The percentage of students achieving the EBacc at a 'strong' pass. This is expected to be above the national average.
EBacc 9-4 %	35%	The percentage of students achieving the EBacc at a 'standard' pass. This is expected to be above the national average.

Overall English and Maths Results

In 2019, results for English and Maths continued to be well above national averages.

	Amery Hill School 2018	Amery Hill School 2019 (Prov.)	National Average Comparison 2019 (Prov.)
English and Maths 9 – 4 (A* - C)	69%	73%	TBC
English and Maths 9 – 7 (A* - A)	13%	17%	TBC
English 9 – 4 (A* - C)	83%	82%	62%
English 9 – 7 (A* - A)	29%	29%	14%
Maths 9 – 4 (A* - C)	74%	80%	60%
Maths 9 – 7 (A* - A)	24%	28%	16%

Amery Hill School Academy Trust

Trustees' Report

Achievements and Performance (continued)

As we look ahead, our priority remains to maintain and build upon the outstanding ethos that permeates throughout the school and ensuring, with all the staff, that each student receives the highest quality of education.

Excellence across the curriculum

9 - 4 (A* - C)	Amery Hill School (Prov.)	National Comparison (Prov.)
Art	82%	75%
Biology	96%	90%
Chemistry	92%	90%
Computing	90%	63%
Creative Media Studies	95%	N/A
Geography	80%	65%
Food and Cookery	100%	N/A
History	81%	64%
GCSE Media Studies	80%	67%
Music	100%	76%
PE	83%	72%
Physics	95%	91%
Statistics	100%	73%
Spanish	100%	70%
Religious Studies	97%	72%

9 - 7 (A* - A)	Amery Hill School (Prov.)	National Comparison (Prov.)
Art	36%	23%
Creative Media Studies	25%	N/A
Design and Technology	27%	19%
Geography	33%	24%
Food Preparation and Nutrition	22%	18%
Health and Fitness	27%	N/A
History	36%	25%
Media Studies	40%	17%
Music	64%	32%
Religious Studies	65%	31%
Statistics	61%	20%

Amery Hill School Academy Trust

Trustees' Report

Key Performance Indicators

The Academy has kept to within its annual budget approved by Trustees and retained a modest contingency. The majority of income is derived from GAG with a small income from lettings. The following financial performance indicators arise from 2018/19 expenditure.

<u>Budget Heading</u>	<u>As a percentage of total expenditure</u>
Teaching Staff	56%
Support Staff	20%
Staff Training and Expenses	1%
Premises	8%
Educational Supplies and Services	12%
Other Supplies and Services	3%

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.

The Accounting Officer for the Academy continues to:

- review the staffing expenditure and structure and to make individuals more accountable for their actions
- review the curriculum and timetable to ensure efficiency
- make each department more accountable for their allocated budgets
- review expenditure to ensure efficient and effective use of resources

Financial Review

The main financial risk identified in the Risk Register is related to the amount of General Annual Grant (GAG) not being sufficient to cover the running cost of the school. The Academy Trustees and Senior Leadership Team are actively taking actions to increase the number of students on roll with a view to become an oversubscribed Academy. Our new Year 7 PAN (200) has been achieved for two consecutive years with a waiting list in 2019/20. Appropriate control procedures are in place to manage this risk.

The Local Government Pension Scheme liability as at 31 August 2019, as calculated in accordance with Financial Reporting Standard No. 102, was £1.291m.

The in-year deficit for the year ended 31 August 2019 was £202,390.

Amery Hill School Academy Trust

Trustees' Report

Reserves Policy

Although some academies maintain a policy of keeping a 1-2 months reserve, our Trustees feel strongly that, whilst acting prudently, our funding should largely be spent on the students on roll in any one year.

The reserves as at 31 August 2019 were as follows:

- Unrestricted (free) reserves of £167,897
- A restricted fixed asset fund of £15,614,690, which can only be realised through disposal of tangible fixed assets
- A pension deficit of £1,291,000
- Total funds of £14,491,587

There is an £1.291m deficit in respect of the Local Government Pension Scheme. This will result in increased employers' pension contributions over a period of years. We have reflected the effect of increased pension costs in our future budgets. Increased pension contributions will be met from the academy trust's budgeted annual income, and whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund, or direct impact on the free reserves of the academy trust as a result of recognising the deficit.

Investment Policy

The school aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the school aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no tangible risk to the loss of these cash funds. Our Investment Policy provides details on type of investments we can do.

Principal Risks and Uncertainties

Risks are managed in accordance with our Risk Management Policy. A Risk Register has been compiled by Trustees and senior management and is reviewed regularly. Currently the main four risk categories identified are:

- a) Risks associated with fluctuation of student numbers and available funding
- b) Risks associated with recruitment and retention of suitably skilled staff and trustees
- c) Risks associated with infrastructure and facilities failure
- d) Risks associated with legislative compliance and data protection (GDPR)

Control procedures are in place to mitigate all risks.

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

Amery Hill School Academy Trust

Trustees' Report

Fundraising

As part of its work within the community, the academy trust undertakes fundraising activities, for example through sponsored activities, cake sales, non-uniform days, charity days (e.g. Children in Need, Comic Relief), quiz nights etc. The academy trust raises funds in order to support its own operations and also to make donations to local and national charities. The academy trust undertakes all such activities itself, with the help of its students and their families. We confirm that when fundraising:

- No unsolicited approaches are made to members of the public.
- No commercial participators are used.
- No regularity schemes or standards are applicable.
- No complaints were made to the academy trust during the year.

Plans for Future Periods

Our School Improvement Plan 2018/21 details our priorities under the following headings:

- Quality of teaching, learning and assessment
- Student personal development, welfare and behaviour
- Student outcomes
- Leadership and Management

The Board of Trustees and Senior Leadership Team are dedicated to achieving these priorities within the set timeframe.

Funds Held as Custodian Trustee on Behalf of Others

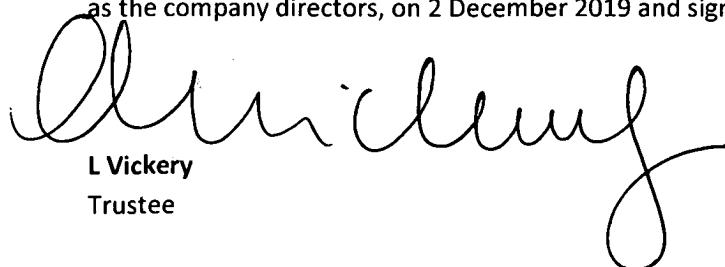
No funds are held by the academy trust as custodian trustee on behalf of others.

Auditor

Insofar as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 2 December 2019 and signed on the board's behalf by:



L Vickery
Trustee

Amery Hill School Academy Trust

Governance Statement

Scope of Responsibility

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

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

Governance

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

Trustee	Meetings attended	Out of possible*
Mrs O Austin	7	7
Mr P Canale	6	7
Mr M Colley - resigned 5 February 2019	3	3
Mr S Cooney	4	7
Mrs A Hall – appointed 1 September 2018, resigned 4 January 2019	2	3
Mr D Holland	3	7
Mr R Kemp –appointed 1 February 2019	4	4
Ms G Lister – appointed 1 September 2018	5	7
Mr J Lyle – appointed 1 May 2019	2	2
Mr S Mann, Headteacher – appointed 1 September 2018	7	7
Mrs A Miles – resigned 9 September 2019	1	7
Mr D Motyka – appointed 1 December 2018, resigned 22 May 2019	2	3
Mrs L Mouland – resigned 31 August 2019	4	7
Mr A Neele – resigned 5 February 2019	2	3
Mr S Parker	2	7
Mrs L Vickery - appointed Chair 9 September 2019	7	7
Mrs J Wilde - resigned Chair 8 September 2019	6	7

*Total number for the year - six FGB meetings and one Business meeting

Amery Hill School Academy Trust

Governance Statement

Governance (continued)

The Human and Financial Resources Committee (HFRC) is a sub-committee of the main board of trustees. Its purpose is to oversee the finances within the framework set by the Full Board of Trustees and to receive reports, monitor and make recommendations to all trustees. The committee also acted as the Audit Committee and in this capacity met once during the year. P Crow was the Responsible Officer (RO). Attendance at meetings of the Human and Financial Resources Committee was as follows:

Trustee	Meetings attended	Out of possible
Mr P Canale	4	6
Mr M Colley – resigned 5 February 2019	2	3
Mr D Holland	0	6
Ms G Lister – appointed 1 September 2018	6	6
Mr S Mann, Headteacher – appointed 1 September 2018	6	6
Mr D Motyka – appointed 1 December 2018, resigned 22 May 2019	0	3
Mr A Neele – resigned 5 February 2019	2	3

Review of Value for Money

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

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

- Reviewing the staffing needs and making individuals more accountable for their actions
- Making each department more accountable for their allocated budgets
- Addressing agency and supply costs by implementing changes
- Reviewing Service Level Agreements to ensure best value

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 Amery Hill School Academy Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Amery Hill School Academy Trust

Governance Statement

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed P Crow, Associate Trustee, as Responsible Officer (RO) for the period 1 September 2018 to 31 August 2019. The Trustees have appointed R Kemp, a Trustee, to carry out a programme of internal checks with effect from 1 September 2019.

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular, the checks carried out in the current period included payroll, purchases, income, the accounting system, and financial planning, monitoring and management.

On a termly basis, the RO reports to the Board of Trustees, through the Human and Financial Resources Committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. The RO has delivered their schedule of works as planned and reported for the period 1 September 2018 to 31 August 2019.

The Board of Trustees has appointed an Audit Committee whose membership comprises the same as for the Human and Financial Resources Committee although the meetings are held separately.

The focus on internal assurance and Trustee responsibilities in this area has been reinforced by ensuring that members of the Human and Financial Resources Committee receive copies of relevant documents and reports from the ESFA.

Amery Hill School Academy Trust

Governance Statement

Review of Effectiveness

As accounting officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Responsible Officer
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Human and Financial Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 2 December 2019 and signed on its behalf by:


L Vickery
Trustee


S Mann
Accounting Officer

Amery Hill School Academy Trust

Statement of Regularity, Propriety and Compliance

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

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

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



S Mann
Accounting Officer
2 December 2019

Amery Hill School Academy Trust

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of trustees on 2 December 2019 and signed on its behalf by:



L Vickery
Trustee

Amery Hill School Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Amery Hill School Academy Trust

Opinion

We have audited the financial statements of Amery Hill School Academy Trust ('the charitable company') for the year ended 31 August 2019 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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.

Amery Hill School Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Amery Hill School 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 auditor's report thereon. It includes the Reference and Administrative Details, the Report of the Directors and Strategic Report and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 the knowledge and understanding of the charitable company 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Amery Hill School Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Amery Hill School Academy Trust

Responsibilities of the trustees

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

Our 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 a Report of the Independent Auditors 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 Report of Independent Auditors.

Use of our report

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



D Brookes FCA (Senior statutory auditor)

For and on behalf of Hopper Williams & Bell Limited

Statutory Auditor

Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date 5 December 2019

Amery Hill School Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Amery Hill School Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 1 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Amery Hill School Academy Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the governing body and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Amery Hill School 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 the Amery Hill School Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Amery Hill School Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Amery Hill School Academy Trust's funding agreement with the Secretary of State for Education dated 1 October 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Amery Hill School Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Amery Hill School Academy Trust and the Education & Skills Funding Agency

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- planning of assurance procedures including identifying key risks;
- substantive testing including analytical review;
- concluding on procedures carried out.

Substantive testing included the following procedures:

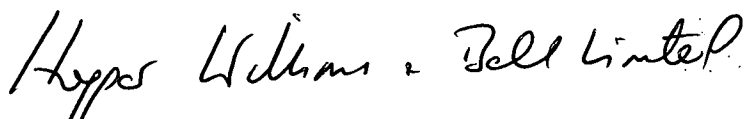
- confirming that activities conform to the Academy Trust's framework of authorities;
- considering the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- evaluating the general control environment of the Academy Trust;
- testing a sample of transactions to consider whether the transaction is permissible within the Academy Trust's framework of authorities;
- confirming whether any extra-contractual payments have been made and whether appropriate authority was obtained;
- reviewing documentation for evidence of borrowing and confirming if approval was obtained from the ESFA;
- confirming whether ESFA approval was obtained for any disposals of assets;
- reviewing the internal control procedures relating to credit cards;
- reviewing for any indication of purchases for personal use by staff or officers;
- reviewing the list of suppliers to consider whether supplies are from related parties;
- considering whether income generating activities are permissible within the Academy Trust's charitable objects;
- reviewing whether lettings to related parties are made at favourable rates.

Amery Hill School Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Amery Hill School Academy Trust and the Education & Skills Funding Agency

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



D Brookes FCA

Reporting Accountant

Hopper Williams & Bell Limited

Chartered Accountants

Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date 5 Dec 2019

Amery Hill School Academy Trust

Statement of Financial Activities for the year ended 31 August 2019

(including Income and Expenditure Account)

	Note	Un-restricted funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2018/19 Total £	2017/18 Total £
Income and endowments from:							
Donations and capital grants	2	8,005	-	-	221,628	229,633	1,011,871
Charitable activities:							
Funding for the academy trust's educational operations	3	-	4,640,704	-	-	4,640,704	4,440,234
Other trading activities	4	79,275	-	-	-	79,275	64,757
Investments	5	3,016	-	-	-	3,016	6,617
Total		90,296	4,640,704	-	221,628	4,952,628	5,523,479
Expenditure on:							
Raising funds	6	614	-	-	-	614	-
Charitable activities:							
Academy trust educational operations	7	-	4,927,041	166,000	863,181	5,956,222	5,098,200
Total		614	4,927,041	166,000	863,181	5,956,836	5,098,200
Net income / (expenditure)		89,682	(286,337)	(166,000)	(641,553)	(1,004,208)	425,279
Transfers between funds	15	(292,072)	286,337	-	5,735	-	-
Other recognised gains / (losses):							
Actuarial (losses) / gains on defined benefit pension schemes	23	-	-	(419,000)	-	(419,000)	226,000
Net movement in funds		(202,390)	-	(585,000)	(635,818)	(1,423,208)	651,279
Reconciliation of funds							
Total funds brought forward		370,287	-	(706,000)	16,250,508	15,914,795	15,263,516
Total funds carried forward		167,897	-	(1,291,000)	15,614,690	14,491,587	15,914,795

The notes on pages 25 to 46 form part of these financial statements.

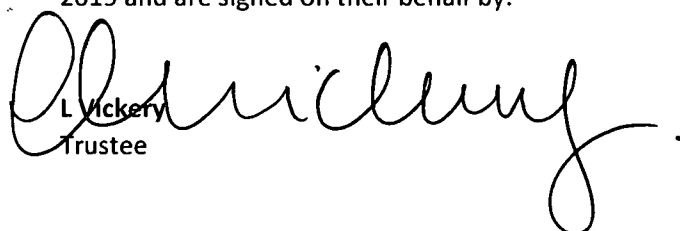
Amery Hill School Academy Trust

Balance Sheet as at 31 August 2019

Company Number 07760509

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	11		15,024,622		15,246,402
Current assets					
Debtors	12	461,908		923,201	
Investments	13	-		210,264	
Cash at bank and in hand		595,527		506,255	
		<u>1,057,435</u>		<u>1,639,720</u>	
Liabilities					
Creditors: Amounts falling due within one year	14	(299,470)		(265,327)	
Net current assets			<u>757,965</u>		<u>1,374,393</u>
Total assets less current liabilities			<u>15,782,587</u>		<u>16,620,795</u>
Defined benefit pension scheme liability	23		(1,291,000)		(706,000)
Total net assets			<u>14,491,587</u>		<u>15,914,795</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	15	15,614,690		16,250,508	
Pension reserve	15	(1,291,000)		(706,000)	
Total restricted funds			<u>14,323,690</u>		<u>15,544,508</u>
Unrestricted income funds	15		167,897		370,287
Total funds			<u>14,491,587</u>		<u>15,914,795</u>

The financial statements on pages 22 to 46 were approved by the trustees and authorised for issue on 2 December 2019 and are signed on their behalf by:


L. Vickery
Trustee

The notes on pages 25 to 46 form part of these financial statements.

Amery Hill School Academy Trust

Statement of Cash Flows for the year ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	19	503,153	114,111
Cash flows from investing activities	20	(413,881)	(6,294)
Change in cash and cash equivalents in the reporting period		<u>89,272</u>	<u>107,817</u>
Cash and cash equivalents at 1 September 2018		506,255	398,438
Cash and cash equivalents at 31 August 2019	21	<u>595,527</u>	<u>506,255</u>

Amery Hill School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

1 Accounting policies

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

- **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Donations**

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

Amery Hill School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

Income (continued)

- **Other Income**

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

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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 Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

Amery Hill School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

Tangible Fixed Assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold Land and Buildings	Shorter of 35 years straight line or length of lease
Furniture and Equipment	4 years straight line
Computer Equipment	3 years straight line
Motor Vehicles	5 years straight line

Long leasehold land has not been depreciated as it is similar to freehold land, which does not require depreciation.

Where the academy trust can identify the value of major components of freehold or leasehold buildings based upon additions following conversion to academy status, the academy trust reviews whether one or more such components have significantly different patterns of consumption of economic benefits. In such cases, the academy trust allocates the cost of the asset to its major components and depreciates each component separately over its useful life.

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.

Liabilities

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

Amery Hill School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement 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 12. Prepayments are not financial instruments.

Current asset investments

Current asset investments comprise fixed term bank deposits. These investments are classified as a basic financial instrument and are measured at amortised cost.

Cash at bank

Cash at bank is classified as a basic financial instrument and is measured at face value. An investment is treated as a cash equivalent when it has a short maturity of three months or less from the date of acquisition.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

Taxation

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

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

Amery Hill School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

Pensions Benefits

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

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

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

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

Fund Accounting

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

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

Amery Hill School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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

The assumptions used are disclosed in note 23.

Critical areas of judgement

There are no other critical areas of judgement.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Capital grants	-	221,628	221,628	993,493
Other donations	8,005	-	8,005	18,378
	<u>8,005</u>	<u>221,628</u>	<u>229,633</u>	<u>1,011,871</u>
<i>Total 2018</i>	<i>18,378</i>	<i>993,493</i>	<i>1,011,871</i>	

Amery Hill School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
DfE / ESFA grants				
General Annual Grant (GAG)	-	4,010,841	4,010,841	3,867,242
Pupil premium	-	157,014	157,014	145,703
Other DfE Group grants	-	47,060	47,060	-
	-	4,214,915	4,214,915	4,012,945
Other Government grants				
Local authority grants	-	118,973	118,973	132,147
Other income from the academy trust's educational operations				
Trip income	-	208,413	208,413	230,740
Tuition fee income	-	46,855	46,855	43,983
Other income	-	51,548	51,548	20,419
	-	306,816	306,816	295,142
	-	4,640,704	4,640,704	4,440,234
<i>Total 2018</i>	-	4,440,234	4,440,234	

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Hire of facilities	15,511	-	15,511	23,347
Sales of goods and services	63,764	-	63,764	41,410
	79,275	-	79,275	64,757
<i>Total 2018</i>	64,757	-	64,757	

5 Investment income

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Short term deposits	3,016	-	3,016	6,617
<i>Total 2018</i>	6,617	-	6,617	

Amery Hill School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

6 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
		Premises	Other	2018/19	2017/18
	£	£	£	£	£
Expenditure on raising funds	-	-	614	614	-
Academy's educational operations:					
Direct costs	3,194,826	-	1,371,405	4,566,231	3,900,924
Allocated support costs	719,639	409,876	260,476	1,389,991	1,197,276
	<u>3,914,465</u>	<u>409,876</u>	<u>1,632,495</u>	<u>5,956,836</u>	<u>5,098,200</u>
Total 2018	3,659,861	361,135	1,077,204	5,098,200	

Net income/(expenditure) for the period includes:

	2018/19	2017/18
	£	£
Operating lease rentals	38,864	39,723
Depreciation	343,925	350,899
(Gain)/loss on disposal of fixed assets	502,000	-
Fees payable to auditor for:		
Audit	6,740	6,610
Other services	<u>3,315</u>	<u>1,415</u>

Included within expenditure are the following transactions:

	Total	Individual items above £5,000	
	£	Amount	Reason
	£	£	
Fixed asset losses	502,000	502,000	Estimate of building value relating to the old canteen. The construction of the replacement canteen was in progress at the year-end.

Amery Hill School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

7 Charitable activities

	2018/19	2017/18
	Total	Total
	£	£
Direct costs	4,566,231	3,900,924
Support costs	1,389,991	1,197,276
	<u>5,956,222</u>	<u>5,098,200</u>

Analysis of support costs:

	Educational operations	2018/19	2017/18
		Total	Total
	£	£	£
Support staff costs	719,639	719,639	616,340
Depreciation	478	478	-
Technology costs	63,120	63,120	59,074
Premises costs	409,876	409,876	361,135
Other support costs	186,823	186,823	149,780
Governance costs	10,055	10,055	10,947
Total support costs	<u>1,389,991</u>	<u>1,389,991</u>	<u>1,197,276</u>

<i>Total 2018</i>	<u>1,197,276</u>	<u>1,197,276</u>
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Amery Hill School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

8 Staff

a) Staff costs

Staff costs during the period were:

	2018/19	2017/18
	£	£
Wages and salaries	2,954,886	2,801,089
Social security costs	272,933	260,291
Pension costs	647,984	551,696
	3,875,803	3,613,076
Agency staff costs	38,662	46,785
	3,914,465	3,659,861

b) Staff numbers

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

	2018/19	2017/18
	No.	No.
Teachers	50	50
Administration and support	48	48
Management	6	6
	104	104

c) Higher paid staff

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

	2018/19	2017/18
	No.	No.
£60,000 - £70,000	2	1
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1

d) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £487,831 (2018: £438,808).

Amery Hill School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

9 Related Party Transactions – Trustees’ remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees’ remuneration and other benefits was as follows:

		2018/19 £000	2017/18 £000
M Colley (Staff trustee to 5 February 2019)	Remuneration	15-20	40-45
	Employer’s pension contributions paid	0-5	5-10
J Lyle (Staff trustee from 1 May 2019)	Remuneration	10-15	-
	Employer’s pension contributions paid	0-5	-
S Mann (Staff trustee from 1 September 2018)	Remuneration	75-80	-
	Employer’s pension contributions paid	10-15	-
L Mouland (Staff trustee to 31 August 2019)	Remuneration	40-45	35-40
	Employer’s pension contributions paid	5-10	5-10
S Parker (Staff trustee)	Remuneration	45-50	45-50
	Employer’s pension contributions paid	5-10	5-10
E Wylie (Staff trustee to 31 August 2018)	Remuneration	-	80-85
	Employer’s pension contributions paid	-	10-15

During the period ended 31 August 2019, no trustees received any reimbursement of expenses (2018: none).

10 Trustees and officers insurance

The academy 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 £10m. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

Amery Hill School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

11 Tangible fixed assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost					
At 1 September 2018	17,673,450	1,500,609	202,628	2,000	19,378,687
Acquisitions	618,410	-	5,735	-	624,145
Disposals	(626,000)	-	-	-	(626,000)
At 31 August 2019	17,665,860	1,500,609	208,363	2,000	19,376,832
Depreciation					
At 1 September 2018	2,427,048	1,500,609	202,628	2,000	4,132,285
Charged in year	343,447	-	478	-	343,925
Disposals	(124,000)	-	-	-	(124,000)
At 31 August 2019	2,646,495	1,500,609	203,106	2,000	4,352,210
Net book values					
At 31 August 2018	15,246,402	-	-	-	15,246,402
At 31 August 2019	15,019,365	-	5,257	-	15,024,622

12 Debtors

	2018/19 £	2017/18 £
Trade debtors	278	1,304
VAT recoverable	31,817	3,756
Other debtors	4,801	-
Prepayments and accrued income	425,012	918,141
	461,908	923,201

13 Current asset investments

	2018/19 £	2017/18 £
Bank deposits	-	210,264

Amery Hill School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

14 Creditors: amounts falling due within one year

	2018/19	2017/18
	£	£
Trade creditors	16,553	7,376
Other taxation and social security	70,076	66,775
Other creditors falling due within one year	63,000	55,328
Accruals and deferred income	149,841	135,848
	299,470	265,327

	2018/19	2017/18
	£	£
Deferred income at 1 September 2018	117,834	62,186
Released from previous years	(117,834)	(62,186)
Resources deferred in the year	115,874	117,834
Deferred income at 31 August 2019	115,874	117,834

At the balance sheet date the academy was holding funds received in advance for school trips, minibus and music tuition booked for the forthcoming autumn term, and rates income relating to the forthcoming financial year.

Amery Hill School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

15 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2019 £
Restricted general funds						
General Annual Grant (GAG)	-	4,010,841	(4,010,841)	-	-	-
Pupil Premium	-	157,014	(157,014)	-	-	-
Other DfE/ESFA grants	-	47,060	(47,060)	-	-	-
Other government grants	-	118,973	(118,973)	-	-	-
Other educational activities	-	306,816	(593,153)	286,337	-	-
	-	4,640,704	(4,927,041)	286,337	-	-
Pension reserve	(706,000)	-	(166,000)	-	(419,000)	(1,291,000)
	(706,000)	4,640,704	(5,093,041)	286,337	(419,000)	(1,291,000)
Restricted fixed asset funds						
Fixed asset fund	15,246,402	-	(845,925)	624,145	-	15,024,622
DfE Group capital grants (DFC)	28,467	60,858	(17,256)	-	-	72,069
DfE Group capital grants (CIF)	975,639	-	-	(618,410)	-	357,229
Other capital grants	-	160,770	-	-	-	160,770
	16,250,508	221,628	(863,181)	5,735	-	15,614,690
Total restricted funds	15,544,508	4,862,332	(5,956,222)	292,072	(419,000)	14,323,690
Total unrestricted funds	370,287	90,296	(614)	(292,072)	-	167,897
Total funds	15,914,795	4,952,628	(5,956,836)	-	(419,000)	14,491,587

Amery Hill School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

15 Funds (continued)

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

General annual grant

This includes all funding received from the ESFA to carry out the objectives of the academy. It includes the school budget share; minimum funding guarantee; education services grant; insurance; rates; and pre-16 high needs funding streams.

Other DfE/ESFA grants

This is funding received from the ESFA for specific purposes, for example pupil premium funding.

Local authority grants

This is funding received from the local authority for specific purposes, for example Special Educational Needs funding.

Other educational activities

This includes all other educational income/expenditure.

Pension reserve

This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the academy trust on conversion.

Fixed asset fund

The fund includes the value of the tangible fixed assets of the academy on conversion, and amounts transferred from GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

DfE/ESFA capital grants

This is funding received from the DfE/ESFA specifically for expenditure on tangible fixed assets.

Transfers between funds

Transfers to the restricted fund represent expenditure which has been funded from unrestricted general funds.

Amery Hill School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

15 Funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2018 £
Restricted general funds						
General Annual Grant (GAG)	-	3,867,242	(3,867,242)	-	-	-
Pupil Premium	-	145,703	(145,703)	-	-	-
Other government grants	-	132,147	(132,147)	-	-	-
Other educational activities	60,537	295,142	(492,271)	136,592	-	-
	60,537	4,440,234	(4,637,363)	136,592	-	-
Pension reserve	(838,000)	-	(94,000)	-	226,000	(706,000)
	(777,463)	4,440,234	(4,731,363)	136,592	226,000	(706,000)
Restricted fixed asset funds						
Fixed asset fund	15,597,301	-	(350,899)	-	-	15,246,402
DfE Group capital grants (DFC)	26,551	17,854	(15,938)	-	-	28,467
DfE Group capital grants (CIF)	-	975,639	-	-	-	975,639
	15,623,852	993,493	(366,837)	-	-	16,250,508
Total restricted funds	14,846,389	5,433,727	(5,098,200)	136,592	226,000	15,544,508
Total unrestricted funds	417,127	89,752	-	(136,592)	-	370,287
Total funds	15,263,516	5,523,479	(5,098,200)	-	226,000	15,914,795

Amery Hill School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

16 Analysis of net assets between funds

	Un-restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	15,024,622	15,024,622
Current assets	167,897	299,470	-	590,068	1,057,435
Current liabilities	-	(299,470)	-	-	(299,470)
Pension scheme liability	-	-	(1,291,000)	-	(1,291,000)
Total net assets	167,897	-	(1,291,000)	15,614,690	14,491,587

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

	Un-restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	15,246,402	15,246,402
Current assets	370,287	265,327	-	1,004,106	1,639,720
Current liabilities	-	(265,327)	-	-	(265,327)
Pension scheme liability	-	-	(706,000)	-	(706,000)
Total net assets	370,287	-	(706,000)	16,250,508	15,914,795

17 Capital commitments

	2018/19	2017/18
	£	£
Contracted for, but not provided in the financial statements	636,532	80,973

18 Commitments under operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018/19	2017/18
	£	£
Amounts due within one year	39,824	40,297
Amounts due between one and five years	47,819	78,643
Amounts due after five years	1,260	-
	88,903	118,940

Amery Hill School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

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

	2018/19	2017/18
	£	£
Net (expenditure) / income for the reporting period	(1,004,208)	425,279
Adjusted for:		
Depreciation	343,925	350,899
(Gain)/loss on disposal of fixed assets	502,000	-
Defined benefit pension scheme cost less contributions payable	148,000	75,000
Defined benefit pension scheme finance cost	18,000	19,000
Decrease / (increase) in debtors	461,293	(801,582)
Increase in creditors	34,143	45,515
Net cash provided by Operating Activities	<u>503,153</u>	<u>114,111</u>

20 Cash flows from investing activities

	2018/19	2017/18
	£	£
Decrease / (increase) in current asset investments	210,264	(6,294)
Purchase of tangible fixed assets	(624,145)	-
Net cash used in investing activities	<u>(413,881)</u>	<u>(6,294)</u>

21 Analysis of cash and cash equivalents

	2018/19	2017/18
	£	£
Cash in hand and at bank	<u>595,527</u>	<u>506,255</u>

22 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.

Amery Hill School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

23 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hampshire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £58,865 were payable to the schemes at 31 August 2019 (2018: £55,277) and are included within creditors.

Teachers' Pension Scheme

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

The Teachers' Pension budgeting and valuation account

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

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

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found on the Teachers' Pension Scheme website at:
<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

Amery Hill School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

23 Pension and similar obligations (continued)

Scheme changes

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

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

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

The employer's pension costs paid to TPS in the period amounted to £346,678 (2018: £377,123).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was as follows:

	2019	2018
	£	£
Employer's contributions	153,000	141,000
Employees' contributions	41,000	40,000
	<u>194,000</u>	<u>181,000</u>

The agreed contribution rates for future years are 16.2% for employers and 5.5% to 12.5% for employees.

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

Amery Hill School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

23 Pension and similar obligations (continued)

Principal actuarial assumptions

	2019	2018
Rate of increase in salaries	3.6%	3.5%
Rate of increase for pensions in payment/inflation	2.1%	2.0%
Discount rate for scheme liabilities	1.9%	2.8%
Inflation assumption (CPI)	2.1%	2.0%

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

	2019	2018
<i>Retiring today</i>		
Males	23.1	24.1
Females	25.8	27.2
<i>Retiring in 20 years</i>		
Males	24.7	26.2
Females	27.6	29.4

Sensitivity analysis

	Increase/(reduction) in defined benefit obligation	
	2019	2018
	£	£
Discount rate +0.1%	(75,000)	(56,000)
Discount rate -0.1%	76,000	57,000
Mortality assumption – 1 year increase	114,000	71,000
Mortality assumption – 1 year decrease	(113,000)	(71,000)

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

	2019	2018
	£	£
Equities	1,259,000	1,162,000
Property	151,000	126,000
Government bonds	431,000	417,000
Corporate bonds	-	22,000
Cash	40,000	42,000
Other	210,000	50,000
Total market value of assets	2,091,000	1,819,000

The actual return on scheme assets was £113,000 (2018: £117,000).

Amery Hill School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

23 Pension and similar obligations (continued)

Amount recognised in the Statement of Financial Activities

	2018/19	2017/18
	£	£
Current service cost	204,000	216,000
Past service cost	97,000	-
Interest income	(53,000)	(41,000)
Interest cost	71,000	60,000
Total amount recognised in the SOFA	<u>319,000</u>	<u>235,000</u>

The past service cost represents an actuarial estimate of the additional underpin liability arising as a result of the McCloud/Sargeant judgement in December 2018 and the Supreme Court's decision not to allow the Government an appeal on 27 June 2019.

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

	2018/19	2017/18
	£	£
At 1 September	2,525,000	2,385,000
Current service cost	204,000	216,000
Interest cost	71,000	60,000
Employee contributions	41,000	40,000
Actuarial loss / (gain)	479,000	(150,000)
Benefits paid	(35,000)	(26,000)
Past service cost	97,000	-
At 31 August	<u>3,382,000</u>	<u>2,525,000</u>

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

	2018/19	2017/18
	£	£
At 1 September	1,819,000	1,547,000
Interest income	53,000	41,000
Actuarial gain	60,000	76,000
Employer contributions	153,000	141,000
Employee contributions	41,000	40,000
Benefits paid	(35,000)	(26,000)
At 31 August	<u>2,091,000</u>	<u>1,819,000</u>

24 Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.