

Company Registration Number: 07760509 (England & Wales)

**AMERY HILL SCHOOL ACADEMY TRUST**

**(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

WEDNESDAY



\*A7YPV040\*

A12

06/02/2019

#86

COMPANIES HOUSE

---

**AMERY HILL SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

---

---

**CONTENTS**

---

	Page
<b>Reference and administrative details</b>	<b>1 - 2</b>
<b>Trustees' report</b>	<b>3 - 7</b>
<b>Governance statement</b>	<b>8 - 10</b>
<b>Statement on regularity, propriety and compliance</b>	<b>11</b>
<b>Statement of Trustees' responsibilities</b>	<b>12</b>
<b>Independent auditors' report on the financial statements</b>	<b>13 - 15</b>
<b>Independent reporting accountant's assurance report on regularity</b>	<b>16 - 17</b>
<b>Statement of financial activities incorporating income and expenditure account</b>	<b>18</b>
<b>Balance sheet</b>	<b>19</b>
<b>Statement of cash flows</b>	<b>20</b>
<b>Notes to the financial statements</b>	<b>21 - 43</b>

**AMERY HILL SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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

**Members**

P Crow (resigned 8 October 2017)  
D Holland  
J Wilde  
E Wylie (resigned 31 August 2018)  
S Mann (appointed 1 September 2018)

**Trustees**

O Austin  
P Canale  
M Colley  
S Cooney  
S Crocker (resigned 20 October 2017)  
P Crow (resigned 8 October 2017)  
D Holland  
A Miles  
A Neele  
S Parker  
L Vickery  
J Wilde, Chair  
E Wylie, Head Teacher (resigned 31 August 2018)  
A Hall (appointed 1 September 2018)  
G Lister (appointed 1 September 2018)  
S Mann, Head Teacher (appointed 1 September 2018)  
L Moulard (appointed 29 November 2017)

**Company registered number**

07760509

**Company name**

Amery Hill School Academy Trust

**Principal and registered office**

Amery Hill  
Alton  
Hampshire  
GU34 2BZ

**Company secretary**

J Edmunds

**Senior management team**

E Wylie, Headteacher  
M Gibbs, Deputy Headteacher  
J Eacott, Assistant Headteacher  
A Lee, Assistant Headteacher  
J Riley, Assistant Headteacher  
J Edmunds, School Business Manager

---

**AMERY HILL SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2018**

---

**Advisers (continued)**

**Independent auditors**

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**  
(A company limited by guarantee)

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and auditor's report of Amery Hill School Academy Trust (the Academy) for the year ended 31 August 2018. 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 1000 and had a roll of 847 in the school summer census on 17 May 2018.

**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 governors act as the trustees for the charitable activities of Amery Hill School Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Amery Hill School Academy Trust.

Details of the governors who served throughout the year except as noted 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**

Governors' 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 governors in accordance with clauses 50 to 64 of its Articles of Association. Parent governor vacancies are filled through advertisement and election whilst staff governor vacancies are notified internally and appointed on the basis of a staff vote. Other governor appointments are addressed through personal recommendation and consideration by the whole governing body followed up, where appropriate, with an interview by senior governors.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

A fellow governor is appointed to act as mentor to a new governor. New governors 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.

**Organisational Structure**

In accordance with the Articles of Association, we have a tiered structure. The Trust functions in line with the Articles. The full Governing Body 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 governing body.

**AMERY HILL SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**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 Governing Body 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 Governing Body 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**

No of employees who were relevant union officials during the period 2

Full-time equivalent employee number 87

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1-50%	2
51-99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£36k
Total pay bill	£3.37m
% of total pay bill spent on facility time	0.0001%

Time spent on paid trade union activities

Total paid facility and union time hours 0

**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.

**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 Development Plan for 2015/18.

**Public Benefit**

We confirm that governors 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**  
(A company limited by guarantee)

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Achievements and Performance**

**2018 Headline Results**

**Overall English and Maths Results**

In 2017, results for English and Maths placed Amery Hill in the top 7% of comprehensive schools nationally and 4th in the league table for Hampshire schools. We are currently awaiting confirmation of our placement for this academic year.

In 2018, results for English and Maths, continue to be above national averages. The progress made by students of all abilities from Key stage 2 to 4 in both subjects is very strong and well above national expectations.

	Amery Hill School	National Comparison (Prov.)
English and Maths 9 – 4 (A* - C)	68.9%	TBC
English and Maths 9 – 7 (A* - A)	12.8%	TBC
English 9 – 4 (A* - C)	82.9%	62%
English 9 – 7 (A* - A)	28.7%	13.9%
Maths 9 – 4 (A* - C)	73.8%	59.7%
Maths 9 – 7 (A* - A)	23.8%	15.8%

**Excellence in other areas of the curriculum**

In 2018, results in EBacc subjects continue to be above national averages, with students making above expected progress from Key stage 2 in this challenging suite of qualifications.

9 – 4 (A* - C)	Amery Hill School	National Comparison (Prov.)
Biology	98.7%	89.2%
Chemistry	97.3%	89.7%
Physics	94.7%	90.6%
Geography	71.8%	64.6%
Computing	64.3%	61.4%
German	83.8%	75.1%
Spanish	100%	70.4%
DT Systems	89.5%	-
BTEC Creative Media Studies	100%	-
GCSE Media Studies	82.4%	-
Music	87.5%	74.7%
Religious Studies	84.6%	71.8%

**Key Performance Indicators**

The Academy has kept to within its annual budget approved by governors and retained a modest contingency to continue to support its known dip in NOR in three year groups. The majority of income is derived from GAG with a small income from lettings. The following financial performance indicators arise from 2017/18 expenditure.

Budget Heading	As a percentage of GAG income
Teaching Staff	65%
Support Staff	25%
Staff Training and Expenses	1%
Premises	8%
Educational Supplies and Services	16%
Other Supplies and Services	3%

---

**AMERY HILL SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**Going Concern**

The governing body 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) being due to student intake numbers still under PAN. The Academy Governors and Senior Leadership Team are actively taking actions to increase this number with a view to become an oversubscribed Academy. Appropriate control procedures are in place to manage this risk.

The Local Government Pension Scheme liability as at 31 August 2018, as calculated in accordance with Financial Reporting Standard No. 102, was £706,000.

**Reserves Policy**

Although some academies maintain a policy of keeping a 1-2 months reserve, our governors 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 2018 were as follows:

- Unrestricted (free) reserves of £370,287
- A restricted fixed asset fund of £16,250,508, which can only be realised through disposal of tangible fixed assets
- A pension deficit of £706,000
- Other restricted funds of £nil
- Total funds of £15,914,795

There is a £706,000 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.



**AMERY HILL SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Principal Risks and Uncertainties**

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

- a) Risks associated with fluctuation of student numbers
- b) Security of e-information and data protection risk
- c) Risks associated with employment
- d) Risks associated with health & safety

Control procedures are in place to mitigate all risks.

The Governing Body 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 Governing Body 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 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

**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) 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 the 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

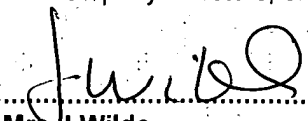
The Governing Body and Senior Leadership Team are dedicated to achieving these priorities within the set timeframe.

**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, approved by order of the board of trustees, as the company directors, on 12 December 2018 and signed on the board's behalf by:

  
.....  
**Mrs J Wilde**  
Chair of Trustees

**AMERY HILL SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

**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 Trustees' responsibilities statement. The board of trustees has formally met eight 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	8	8
Mr P Canale	5	8
Mr M Colley	6	8
Mr S Cooney	5	8
Mr S Crocker - resigned 20 October 2017	1	2
Mr P Crow - resigned 8 October 2017	2	2
Mr D Holland	4	8
Mrs A M Miles	2	8
Mrs L Moulard - appointed 29 November 2017	5	6
Mr A Neele	7	8
Mr S Parker	5	8
Mrs L Vickery	8	8
Mrs J Wilde, Chair	7	8
Mrs E Wylie, Headteacher - resigned 31 August 2018	7	7

\*Total number for the year - 6 FGB meetings, 1 Extra-ordinary meeting and 1 Business meeting

The Human and Financial Resources Committee is a sub-committee of the main board of trustees. Its purpose is to oversee the finances within the framework set by the Full Governing Body 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.

Attendance at meetings of the Human and Financial Resources Committee:

Trustee	Meetings attended	Out of possible
Mr P Canale	6	6
Mr M Colley	5	6
Mr D Holland	5	6
Mr A Neele	5	6
Mrs E Wylie, Headteacher- resigned 31 August 2018	6	6

**AMERY HILL SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

**GOVERNANCE STATEMENT (continued)**

**Review of Value for Money**

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy 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'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 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
- Reviewing expenditures to assure efficient and effective use of resources

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 year 1 September 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 is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 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'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 Human and Financial Resources 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 as Responsible Officer (RO).

**AMERY HILL SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the RO reports to the Board of Trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The Governing Body 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 governor 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.

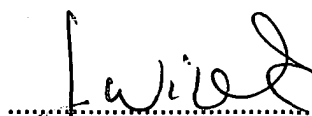
**Review of Effectiveness**

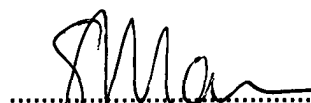
As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Responsible Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy 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 12 December 2018 and signed on their behalf, by:

  
.....  
**Mrs J Wilde**  
Chair of Trustees

  
.....  
**Mr S Mann**  
Accounting Officer

**AMERY HILL SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT ON 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 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.



**Mr S Mann**  
Accounting Officer

Date: 12 December 2018

**AMERY HILL SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR 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 Strategic report, 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:

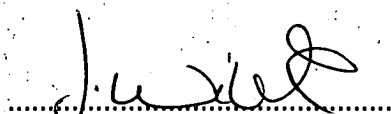
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 12 December 2018 and signed on its behalf by:



**Mrs J Wilde**  
Chair of Trustees

**AMERY HILL SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

**INDEPENDENT AUDITORS' 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 'Academy') for the year 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 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 Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy'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**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' 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 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 including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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



**AMERY HILL SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF AMERY HILL SCHOOL ACADEMY TRUST**

**RESPONSIBILITIES OF TRUSTEES**

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**USE OF OUR REPORT**

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

*Hopper Williams & Bell Limited*

David Brookes FCA (Senior statutory auditor)  
for and on behalf of

**Hopper Williams & Bell Limited**

Statutory Auditor

Highland House

Mayflower Close

Chandlers Ford

Eastleigh

Hampshire

SO53 4AR

Date:

*18 December 2014*

**AMERY HILL SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' 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 4 September 2017 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 Amery Hill School Academy Trust during the year 1 September 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 Amery Hill School 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 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 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 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 year 1 September 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 Academy's income and expenditure.

**AMERY HILL SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

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

**SUMMARY OF WORK UNDERTAKEN**

We carried out the following:

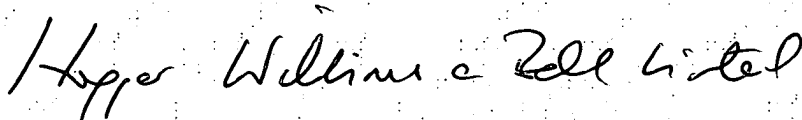
- planning of assurance procedures including identifying key risks;
- substantive testing including analytical review;
- concluding on procedures carried out.

Substantive testing included the following procedures:

- confirming that activities conform to the Academy'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;
- testing a sample of transactions to consider whether the transaction is permissible within the Academy'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's charitable objects;
- reviewing whether lettings to related parties are made at favourable rates.

**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 year 1 September 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.



David Brookes FCA

**Hopper Williams & Bell Limited**

Statutory Auditor  
Highland House  
Mayflower Close  
Chandlers Ford  
Eastleigh  
Hampshire  
SO53 4AR

Date: 18 December 2018

**AMERY HILL SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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

	Note	Un- restricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	18,378	-	993,493	1,011,871	45,168
Charitable activities	3	-	4,440,234	-	4,440,234	4,481,030
Other trading activities	4	64,757	-	-	64,757	43,695
Investments	5	6,617	-	-	6,617	1,628
<b>TOTAL INCOME</b>		<b>89,752</b>	<b>4,440,234</b>	<b>993,493</b>	<b>5,523,479</b>	<b>4,571,521</b>
<b>EXPENDITURE ON:</b>						
Raising funds		-	-	-	-	1,035
Charitable activities		-	4,731,363	366,837	5,098,200	5,026,859
<b>TOTAL EXPENDITURE</b>	6	<b>-</b>	<b>4,731,363</b>	<b>366,837</b>	<b>5,098,200</b>	<b>5,027,894</b>
<b>NET BEFORE TRANSFERS</b>		<b>89,752</b>	<b>(291,129)</b>	<b>626,656</b>	<b>425,279</b>	<b>(456,373)</b>
Transfers between Funds	16	(136,592)	136,592	-	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>(46,840)</b>	<b>(154,537)</b>	<b>626,656</b>	<b>425,279</b>	<b>(456,373)</b>
Actuarial gains on defined benefit pension schemes	21	-	226,000	-	226,000	702,000
<b>NET MOVEMENT IN FUNDS</b>		<b>(46,840)</b>	<b>71,463</b>	<b>626,656</b>	<b>651,279</b>	<b>245,627</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		417,127	(777,463)	15,623,852	15,263,516	15,017,889
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>370,287</b>	<b>(706,000)</b>	<b>16,250,508</b>	<b>15,914,795</b>	<b>15,263,516</b>

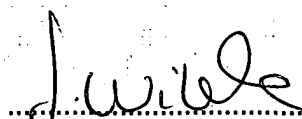
The notes on pages 21 to 43 form part of these financial statements.

**AMERY HILL SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07760509**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	12		15,246,402		15,597,301
<b>CURRENT ASSETS</b>					
Debtors	13	923,201		121,619	
Investments	14	210,264		203,970	
Cash at bank and in hand		506,255		398,438	
			<u>1,639,720</u>	<u>724,027</u>	
<b>CREDITORS:</b> amounts falling due within one year	15	(265,327)		(219,812)	
<b>NET CURRENT ASSETS</b>			<u>1,374,393</u>		<u>504,215</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>16,620,795</u>		<u>16,101,516</u>
Defined benefit pension scheme liability	21		(706,000)		(838,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>15,914,795</u>		<u>15,263,516</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	16	-		60,537	
Restricted fixed asset funds	16	16,250,508		15,623,852	
Restricted income funds excluding pension liability		16,250,508		15,684,389	
Pension reserve		(706,000)		(838,000)	
Total restricted income funds			<u>15,544,508</u>		<u>14,846,389</u>
Unrestricted income funds	16		<u>370,287</u>		<u>417,127</u>
<b>TOTAL FUNDS</b>			<u>15,914,795</u>		<u>15,263,516</u>

The financial statements on pages 18 to 43 were approved by the Trustees, and authorised for issue, on 12 December 2018 and are signed on their behalf, by:

  
 .....  
**Mrs J Wilde**  
 Chair of Trustees

The notes on pages 21 to 43 form part of these financial statements.

**AMERY HILL SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	18	<u>107,817</u>	<u>(55,217)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>107,817</b>	<b>(55,217)</b>
Cash and cash equivalents brought forward		<u>398,438</u>	<u>453,655</u>
<b>Cash and cash equivalents carried forward</b>	19	<u><u>506,255</u></u>	<u><u>398,438</u></u>

**AMERY HILL SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR 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 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Amery Hill School Academy Trust constitutes a public benefit entity as defined by FRS 102.

**1.2 Fund accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy 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**  
**(A company limited by guarantee)**

---

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

---

**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

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

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

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.

**1.4 Expenditure**

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

Expenditure on raising funds includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.



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

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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.

1.6 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 incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold land	-	Not depreciated
Leasehold property	-	Shorter of 35 years straight-line or length of lease
Furniture and fixtures	-	4 years straight-line
Motor vehicles	-	5 years straight-line
Computer equipment	-	3 years straight-line

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

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

---

**AMERY HILL SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

---

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

---

**1. ACCOUNTING POLICIES (continued)**

**1.7 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities incorporating income and expenditure account.

**1.8 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

**1.9 Taxation**

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

**1.10 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the Bank.

**1.11 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.

**1.12 Cash at Bank and in hand**

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

**1.13 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 Academy 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.

**AMERY HILL SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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

**1. ACCOUNTING POLICIES (continued)**

**1.14 Pensions**

Retirement benefits to employees of the academy 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 Academy 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 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1.15 Financial instruments**

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy 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 13. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. 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 15. 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 other financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

**AMERY HILL SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.16 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

The Academy trust 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 21, 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.

**AMERY HILL SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Un- restricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	18,378	-	18,378	27,314
Capital grants	-	993,493	993,493	17,854
	<u>18,378</u>	<u>993,493</u>	<u>1,011,871</u>	<u>45,168</u>
<i>Total 2017</i>	<u>27,314</u>	<u>17,854</u>	<u>45,168</u>	

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Un- restricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	3,867,242	3,867,242	3,930,025
DfE/ESFA other grants	-	145,703	145,703	155,028
	<u>-</u>	<u>4,012,945</u>	<u>4,012,945</u>	<u>4,085,053</u>
<b>Other government grants</b>				
Local authority grants	-	132,147	132,147	88,224
	<u>-</u>	<u>132,147</u>	<u>132,147</u>	<u>88,224</u>
<b>Other funding</b>				
Trip income	-	230,740	230,740	206,104
Tuition fee income	-	43,983	43,983	41,135
Other income	-	20,419	20,419	60,514
	<u>-</u>	<u>295,142</u>	<u>295,142</u>	<u>307,753</u>
	<u>-</u>	<u>4,440,234</u>	<u>4,440,234</u>	<u>4,481,030</u>
<i>Total 2017</i>	<u>-</u>	<u>4,481,030</u>	<u>4,481,030</u>	

**AMERY HILL SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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

**4. OTHER TRADING ACTIVITIES**

	Un- restricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	23,347	-	23,347	23,969
Sales of goods and services	41,410	-	41,410	19,726
	<u>64,757</u>	<u>-</u>	<u>64,757</u>	<u>43,695</u>
<i>Total 2017</i>	<u>43,695</u>	<u>-</u>	<u>43,695</u>	

**5. INVESTMENT INCOME**

	Un- restricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	6,617	-	6,617	1,628
	<u>6,617</u>	<u>-</u>	<u>6,617</u>	<u>1,628</u>
<i>Total 2017</i>	<u>1,628</u>	<u>-</u>	<u>1,628</u>	

**AMERY HILL SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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

**6. EXPENDITURE**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income	-	-	-	-	1,035
Academy's educational operations					
Direct costs	3,043,521	-	857,403	3,900,924	3,810,788
Support costs	616,340	361,135	219,801	1,197,276	1,216,071
	<u>3,659,861</u>	<u>361,135</u>	<u>1,077,204</u>	<u>5,098,200</u>	<u>5,027,894</u>
<i>Total 2017:</i>	<u>3,565,033</u>	<u>400,452</u>	<u>1,062,409</u>	<u>5,027,894</u>	

**7. ANALYSIS OF SUPPORT COSTS**

	Educational operations £	Total 2018 £	Total 2017 £
Technology costs	59,074	59,074	49,453
Premises costs	361,135	361,135	400,452
Governance costs	10,947	10,947	7,790
Other costs	149,780	149,780	175,957
Wages and salaries	414,716	414,716	372,479
National insurance	27,051	27,051	25,567
Pension cost	174,573	174,573	182,490
Depreciation	-	-	1,883
	<u>1,197,276</u>	<u>1,197,276</u>	<u>1,216,071</u>
<i>Total 2017</i>	<u>1,216,071</u>	<u>1,216,071</u>	

**8. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	350,899	327,773
Auditors' remuneration - audit	6,610	6,415
Auditors' remuneration - other services	1,415	1,375
Operating lease rentals	<u>39,723</u>	<u>27,650</u>

**AMERY HILL SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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

**9. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	2,847,874	2,773,063
Social security costs	260,291	248,300
Operating costs of defined benefit pension schemes	551,696	543,670
	<u>3,659,861</u>	<u>3,565,033</u>

**b. Staff numbers**

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

	2018 No.	2017 No.
Teachers	50	53
Administration and support	48	49
Management	6	6
	<u>104</u>	<u>108</u>

**c. Higher paid staff**

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	0
In the band £80,001 - £90,000	1	1

**d. Key management personnel**

The key management personnel of the academy trust comprise the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £438,808 (2017: £442,697).



**AMERY HILL SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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

**10. TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		<b>2018</b>	<b>2017</b>
		<b>£'000</b>	<b>£'000</b>
E. Wylie (headteacher and trustee)	Remuneration	80-85	80-85
	Pension contributions paid	10-15	10-15
L. Moulard (staff trustee)	Remuneration	35-40	-
	Pension contributions paid	0-5	-
S. Parker (staff trustee)	Remuneration	45-50	40-45
	Pension contributions paid	5-10	5-10
M. Colley (staff trustee)	Remuneration	40-45	30-35
	Pension contributions paid	5-10	5-10
A. Denton (staff trustee)	Remuneration	-	10-15
	Pension contributions paid	-	0-5

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £nil).

**11. 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 £10,000,000. 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**  
(A company limited by guarantee)

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

**12. TANGIBLE FIXED ASSETS**

	Leasehold property £	Furniture and fixtures £	Motor vehicles £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2017 and 31 August 2018	17,673,450	1,500,609	2,000	202,628	19,378,687
<b>Depreciation</b>					
At 1 September 2017	2,076,149	1,500,609	2,000	202,628	3,781,386
Charge for the year	350,899	-	-	-	350,899
At 31 August 2018	2,427,048	1,500,609	2,000	202,628	4,132,285
<b>Net book value</b>					
At 31 August 2018	15,246,402	-	-	-	15,246,402
At 31 August 2017	15,597,301	-	-	-	15,597,301

**13. DEBTORS**

	2018 £	2017 £
Trade debtors	1,304	908
Other debtors	3,756	13,325
Prepayments and accrued income	918,141	107,386
	<u>923,201</u>	<u>121,619</u>

**14. CURRENT ASSET INVESTMENTS**

	2018 £	2017 £
Short term bank deposits	<u>210,264</u>	<u>203,970</u>

**AMERY HILL SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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

**15. CREDITORS: Amounts falling due within one year**

	2018 £	2017 £
Trade creditors	7,376	29,921
Other taxation and social security	66,775	58,779
Other creditors	55,328	52,024
Accruals and deferred income	135,848	79,088
	<u>265,327</u>	<u>219,812</u>

	2018 £	2017 £
<b>Deferred income</b>		
Deferred income at 1 September 2017	62,186	90,365
Resources deferred during the year	117,834	62,186
Amounts released from previous years	(62,186)	(90,365)
Deferred income at 31 August 2018	<u>117,834</u>	<u>62,186</u>

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. Also rates rebate for September 2018 to March 2019.

**AMERY HILL SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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

**16. STATEMENT OF FUNDS**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General fund	417,127	89,752	-	(136,592)	-	370,287
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	3,861,221	(3,861,221)	-	-	-
Pupil premium	-	145,703	(145,703)	-	-	-
Other EFA/Dfe grants	-	6,021	(6,021)	-	-	-
Local authority grants	-	132,147	(132,147)	-	-	-
Other educational activities	60,537	295,142	(492,271)	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)
<b>Restricted fixed asset funds</b>						
Fixed asset fund	15,597,301	-	(350,899)	-	-	15,246,402
Devolved formula capital	26,551	17,854	(15,938)	-	-	28,467
CIF funding	-	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 of funds	15,263,516	5,523,479	(5,098,200)	-	226,000	15,914,795

**AMERY HILL SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

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

**16. STATEMENT OF 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 following funding streams:

- School budget share
- Minimum funding guarantee
- Education services grant
- Insurance
- Rates

**Pupil premium and other DfE/SFA grants**

This is funding received from the ESFA for specific purposes

**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 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 on conversion.

**Fixed asset fund**

The fund includes the value of 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 on these assets.

**DfE/ESFA capital grants**

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

**AMERY HILL SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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

**16. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>General funds</b>						
General fund	345,525	72,637	(1,035)	-	-	417,127
	<u>345,525</u>	<u>72,637</u>	<u>(1,035)</u>	<u>-</u>	<u>-</u>	<u>417,127</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	3,930,025	(3,930,025)	-	-	-
Pupil premium	-	155,028	(155,028)	-	-	-
Local authority grants	-	88,224	(88,224)	-	-	-
Other educational activities	107,920	307,753	(355,136)	-	-	60,537
Pension reserve	(1,417,000)	-	(123,000)	-	702,000	(838,000)
	<u>(1,309,080)</u>	<u>4,481,030</u>	<u>(4,651,413)</u>	<u>-</u>	<u>702,000</u>	<u>(777,463)</u>
<b>Restricted fixed asset funds</b>						
Fixed asset fund	15,925,074	-	(327,773)	-	-	15,597,301
Devolved formula capital	56,370	17,854	(47,673)	-	-	26,551
	<u>15,981,444</u>	<u>17,854</u>	<u>(375,446)</u>	<u>-</u>	<u>-</u>	<u>15,623,852</u>
Total restricted funds	<u>14,672,364</u>	<u>4,498,884</u>	<u>(5,026,859)</u>	<u>-</u>	<u>702,000</u>	<u>14,846,389</u>
Total of funds	<u>15,017,889</u>	<u>4,571,521</u>	<u>(5,027,894)</u>	<u>-</u>	<u>702,000</u>	<u>15,263,516</u>

**AMERY HILL SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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

**A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General fund	345,525	162,389	(1,035)	(136,592)	-	370,287
	<u>345,525</u>	<u>162,389</u>	<u>(1,035)</u>	<u>(136,592)</u>	<u>-</u>	<u>370,287</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	7,791,246	(7,791,246)	-	-	-
Pupil premium	-	300,731	(300,731)	-	-	-
Other EFA/Dfe grants	-	6,021	(6,021)	-	-	-
Local authority grants	-	220,371	(220,371)	-	-	-
Other educational activities	107,920	602,895	(847,407)	136,592	-	-
Pension reserve	(1,417,000)	-	(217,000)	-	928,000	(706,000)
	<u>(1,309,080)</u>	<u>8,921,264</u>	<u>(9,382,776)</u>	<u>136,592</u>	<u>928,000</u>	<u>(706,000)</u>
<b>Restricted fixed asset funds</b>						
Fixed asset fund	15,925,074	-	(678,672)	-	-	15,246,402
Devolved formula capital	56,370	35,708	(63,611)	-	-	28,467
CIF Funding	-	975,639	-	-	-	975,639
	<u>15,981,444</u>	<u>1,011,347</u>	<u>(742,283)</u>	<u>-</u>	<u>-</u>	<u>16,250,508</u>
	<u>14,672,364</u>	<u>9,932,611</u>	<u>(10,125,059)</u>	<u>136,592</u>	<u>928,000</u>	<u>15,544,508</u>
<b>Total of funds</b>	<u>15,017,889</u>	<u>10,095,000</u>	<u>(10,126,094)</u>	<u>-</u>	<u>928,000</u>	<u>15,914,795</u>

**AMERY HILL SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Un- restricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	15,246,402	15,246,402
Current assets	370,287	265,327	1,004,106	1,639,720
Creditors due within one year	-	(265,327)	-	(265,327)
Pension reserve	-	(706,000)	-	(706,000)
	<u>370,287</u>	<u>(706,000)</u>	<u>16,250,508</u>	<u>15,914,795</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Un-restricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	15,597,301	15,597,301
Current assets	417,127	280,349	26,551	724,027
Creditors due within one year	-	(219,812)	-	(219,812)
Pension reserve	-	(838,000)	-	(838,000)
	<u>417,127</u>	<u>(777,463)</u>	<u>15,623,852</u>	<u>15,263,516</u>



**AMERY HILL SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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

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

	2018 £	2017 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	425,279	(456,373)
<b>Adjustment for:</b>		
Depreciation charges	350,899	327,773
Interest from investments	(6,294)	-
Increase in debtors	(801,582)	(47,161)
Increase/ (decrease) in creditors	45,515	(2,456)
Defined benefit pension scheme cost less contributions payable	94,000	123,000
<b>Net cash provided by/(used in) operating activities</b>	<b>107,817</b>	<b>(55,217)</b>

**19. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £	2017 £
Notice deposits (less than 3 months)	506,255	398,438
<b>Total</b>	<b>506,255</b>	<b>398,438</b>

**20. CAPITAL COMMITMENTS**

At 31 August 2018 the Academy had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	80,973	-

**AMERY HILL SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

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

**21. PENSION COMMITMENTS**

The Academy'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 Hampshire County Council. 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 £55,328 were payable to the schemes at 31 August 2018 (2017 - £51,316) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, 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 £377,123 (2017 - £323,693).

**AMERY HILL SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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

**21. 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](http://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 year ended 31 August 2018 was £181,000 (2017 - £161,000), of which employer's contributions totalled £141,000 (2017 - £124,000) and employees' contributions totalled £40,000 (2017 - £37,000). The agreed contribution rates for future years are 15.1% for employers and between 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 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	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.50 %	3.50 %
Rate of increase for pensions in payment / inflation	2.00 %	2.00 %
Inflation assumption (CPI)	2.00 %	2.00 %

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

	2018	2017
Retiring today		
Males	24.1	24.0
Females	27.2	27.0
Retiring in 20 years		
Males	26.2	26.0
Females	29.4	29.3

Sensitivity analysis	At 31 August 2018 £	At 31 August 2017 £
Discount rate +0.1%	2,469,000	2,332,000
Discount rate -0.1%	2,582,000	2,439,000
Mortality assumption - 1 year increase	2,596,000	2,455,000
Mortality assumption - 1 year decrease	2,454,000	2,315,000

**AMERY HILL SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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

**21. PENSION COMMITMENTS (continued)**

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,162,000	947,000
Property	126,000	101,000
Government bonds	417,000	384,000
Corporate bonds	22,000	17,000
Cash and other liquid assets	42,000	46,000
Other	50,000	52,000
Total market value of assets	<u>1,819,000</u>	<u>1,547,000</u>

The actual return on scheme assets was £11,700 (2017 - £14,000).

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

	2018 £	2017 £
Current service cost	(216,000)	(220,000)
Net interest cost	(19,000)	(27,000)
Total	<u>(235,000)</u>	<u>(247,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	2,385,000	2,808,000
Current service cost	216,000	220,000
Interest cost	60,000	56,000
Employee contributions	40,000	37,000
Actuarial gains	(150,000)	(717,000)
Benefits paid	(26,000)	(19,000)
Closing defined benefit obligation	<u>2,525,000</u>	<u>2,385,000</u>

**AMERY HILL SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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

**21. PENSION COMMITMENTS (continued)**

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

	2018 £	2017 £
Opening fair value of scheme assets	1,547,000	1,391,000
Interest income	41,000	29,000
Actuarial losses/(gains)	76,000	(15,000)
Employer contributions	141,000	124,000
Employee contributions	40,000	37,000
Benefits paid	(26,000)	(19,000)
	<u>1,819,000</u>	<u>1,547,000</u>
Closing fair value of scheme assets	<u>1,819,000</u>	<u>1,547,000</u>

**22. 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 £	2017 £
<b>Amounts payable:</b>		
Within 1 year	40,297	32,556
Between 1 and 5 years	78,643	84,403
Total	<u>118,940</u>	<u>116,959</u>

**23. 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 10.

**24. MEMBERS' LIABILITY**

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