

Companies House

Company Registration No. 07506598 (England and Wales)

**AVANTI SCHOOLS TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**



# AVANTI SCHOOLS TRUST

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# AVANTI SCHOOLS TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Directors

Mr N Gor (Accounting Officer and Chief Executive Officer)  
Mrs U Sahni (Resigned 18 September 2018)  
Mr M Ladwa (Resigned 5 November 2018)  
Mr G Davis  
Mr M Younger (Chair)  
Dr K Pau  
Mr V Doshi  
Dr M Warrington  
Mr M Patel (Resigned 25 September 2019)  
Mrs B Nanthabalan  
Mr K Raval (Resigned 25 September 2019)  
Mr J Biddulph (Appointed 5 February 2019 and resigned 27 September 2019)  
Mr B Shah (Appointed 2 May 2019)

### Members

Mr M Younger  
Mr D Hothi  
Mr N Shah  
Mr K Mehta  
Mr C Ghelani

### Senior leadership team

Mr M Younger	- Trust Chair
Dr K Pau	- Trust Vice-Chair
Mr M Ladwa	- Trust Director
Mr M Patel	- Trust Director
Dr M Warrington	- Trust Director
Mr G Davis	- Trust Director
Mr V Doshi	- Trust Director
Mrs B Nanthabalan	- Trust Director
Mr K Raval	- Trust Director
Mr J Biddulph	- Trust Director
Mr B Shah	- Trust Director
Mr N Gor	- Chief Executive
Mrs U Sahni	- Head of Education
Mr K Patel	- Chief Financial Officer
Ms J Hatfield	- HR Director
Mr M Ion	- Education Lead
Mrs Z Hussain	- Education Lead (until July 2019)

### Company Secretary

Mrs S Kumar

### Company registration number

07506598 (England and Wales)

### Registered and principal office

Avanti Schools Trust  
Wemborough Road  
Stanmore  
Middlesex  
HA7 2EQ

# AVANTI SCHOOLS TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Academies operated

Avanti House Secondary School  
Krishna Avanti Primary School (3)  
Krishna Avanti Primary School (1)  
Avanti Court Primary School  
Krishna Avanti Primary School (2)  
Avanti House Primary School  
Avanti Fields School

### Location

Harrow  
Croydon  
Leicester  
Redbridge  
Harrow  
Harrow  
Leicester

### Principal

Mr S Arnell  
Mr P Burton  
Mr D Kite  
Mrs D Walters  
Mrs B Rai  
Ms S Pandya  
Ms E Taplin

### Independent auditor

Wilkins Kennedy Audit Services  
Anglo House  
Bell Lane Office Village  
Bell Lane  
Amersham  
Buckinghamshire  
HP6 6FA

### Bankers

Lloyds Bank plc  
25 Gresham Street  
London  
EC2V 7HN

### Solicitors

Winckworth Sherwood LLP  
Minerva House  
5 Montague Close  
London  
SE1 9BB

# AVANTI SCHOOLS TRUST

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2019

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The Directors present their Annual Report together with the Financial Statements and Independent Auditor's Report of the charitable company (referred to thereon as "Avanti Schools Trust") for the period 1 September 2018 to 31 August 2019. The Annual Report serves the purpose of both a Trustees' Report and a Directors' Report under company law.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Charity Commission's document '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) (effective 1 January 2015)' and the Academies Accounts Direction 2018 to 2019 issued by the ESFA.

#### Introduction

The Academy Trust operates 7 schools (free schools and academies) in the South-East and Midlands. Its academies have a combined pupil capacity of 4,670 and had a roll of 3,376 in the school census at October 2019.

#### Structure, governance and management

##### Constitution

Avanti Schools Trust is a Multi-Academy Trust, 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 Avanti Schools Trust are also the directors of the charitable company for the purposes of company law.

Avanti Schools Trust was incorporated on 26 January 2011 and obtained Academy Status from 1 August 2011. The Trust obtained Multi-Academy Status from 9 August 2012.

The charitable company operates as:

- Avanti House Secondary School
- Krishna Avanti Primary School, Harrow
- Krishna Avanti Primary School, Croydon
- Avanti Court Primary School
- Krishna Avanti Primary School, Leicester
- Avanti House Primary School
- Avanti Fields School

Details of the Directors and Governors 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 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 ceased to be a member.

# AVANTI SCHOOLS TRUST

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### Directors' indemnities

The company subscribes to the Risk Protection Arrangements (RPA) provided by the DfE. The RPA provides Governors Liability which includes Directors within its definitions.

### Method of recruitment and appointment or election of Directors

#### Members and Directors

The first members of the Academy Trust were the signatories to the Memorandum. Subsequent members of the company shall comprise any person appointed under Article 15A.

The number of Directors shall not be less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

Subject to Articles 48-49 and 63, the Academy Trust shall have the following Directors:

- a. up to 15 Directors, appointed under Article 50;
- b. any Staff Directors, if appointed under Article 50AA;
- c. the Chief Executive Officer, if appointed under Article 50B;
- d. Academy Directors appointed under Article 51 or Article 52;
- e. a minimum of 2 Parent Directors appointed under Articles 53-56, in the event that no Local Governing Bodies are established under Article 100a or if no provision is made for at least 2 Parent Local Governors on each established Local Governing Body pursuant to Article 101A or on any Advisory Body.

The Trust may also have any Co-opted Director appointed under Article 58.

The term of office for any Director shall be 4 years, except for the Chief Executive Officer (CEO).

### Policies and procedures adopted for the induction and training of Directors

During the period under review the Directors held regular meetings. The training and induction provided for new Directors will depend on their existing experience. All relevant Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors. As there are normally only a few new Directors in a period, induction tends to be done informally and is tailored specifically to the individual.

# AVANTI SCHOOLS TRUST

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### Organisational structure

The Board of Directors is the Legal Governing Body of every Avanti school and has ultimate accountability and legal responsibility for all Avanti schools, including all the statutory responsibilities of school governors and accountability for the quality of educational provision and school effectiveness.

The Board of Directors has appointed the following committees: Remuneration, Audit & Finance, Standards. The Board of Directors has also appointed School Stakeholder Committees (SSCs) for each Avanti school. SSCs provide perspectives from various stakeholder groups (staff, parents and the wider community) on the day-to-day functioning of the school in order to support the school's work. SSCs are not delegated any powers of the Board of Directors and do not carry any statutory responsibilities. Avanti schools do not have local governing bodies.

The Directors delegate the day-to-day responsibility of running the Academy Trust to the senior management team led by the Chief Executive Officer. The day-to-day running of individual academies is delegated to the senior leadership team, led by the principal.

### Trade union facility time

#### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period

-

Full-time equivalent employee number

-

#### *Percentage of time spent on facility time*

Percentage of time

Number of employees

0%

-

1%-50%

-

51%-99%

-

100%

-

#### *Percentage of pay bill spent on facility time*

Total cost of facility time

-

Total pay bill

-

Percentage of the total pay bill spent on facility time

-

#### *Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours

-

### Connected organisations including related party relationships

The Academy has relationships with the following organisations:

- Govinda's Limited, which is a wholly-owned subsidiary.
- Avanti Services Limited, which is a wholly-owned subsidiary.

# AVANTI SCHOOLS TRUST

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Objectives and activities

##### Objects and aims

The principal activity of the Academy Trust is 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 schools offering a broad and balanced curriculum.

All schools in the Avanti Schools Trust prepare pupils for their respective life-journeys by promoting educational excellence, character formation and spiritual insight.

##### Objectives, strategies and activities

#### Educational Excellence

An emphasis on independent thought and personal choice fans every pupil's innate and emerging passion for learning. Our personalised approach provides tailor-made learning paths for all pupils. This motivates and enables all pupils to become reflective, articulate and independent thinkers, laying solid foundations for their future learning, vocation and self-fulfilment. Our approach is characterised by a mentorship and academic support system that is delivered in close partnership with parents.

#### Character Formation

Academy Trust schools prepare pupils to take their places as loyal, responsible and broad-minded British citizens. Our ethos acknowledges that personal virtue, responsibility and a wholesome sense of identity underpin success in all endeavours. It nurtures conduct consistent with the universal virtues of respect, integrity, courage, empathy, gratitude and self-discipline. Academy Trust schools promote holistic, responsible lifestyles through a vegetarian diet, a curriculum that integrates yoga and meditation and a built environment that actively fosters environmental concern.

#### Spiritual Insight

The development of spiritual insight is at the heart of the curriculum and draws on the teachings of Krishna Chaitanya, which embrace a universal, inclusive approach to spirituality, aimed at rekindling a personal, loving and spontaneous relationship with the divine (Krishna).

The curriculum offers opportunities to explore the philosophies and traditions of different faiths. Collective worship includes the following practices: Kirtan, meditation, worship, reflection, song, prayer and story-telling.

#### Key objectives

Key objectives for the year were to open Avanti Fields School in Leicester and to continue to pursue its growth as developed in its strategic growth plan.

##### Public benefit

The Directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the Academy Trust's aim and objectives and in planning future activities. The Directors consider that the Academy Trust's aims are demonstrably to the public benefit.



# AVANTI SCHOOLS TRUST

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Strategic report

##### Key performance indicators

The following KPIs would apply to all Avanti Schools Trust schools.

##### Achievement and Standards

This will include attainment at end of each key stage and achievement in broader aspects of learners' achievements such as those reflected in their spiritual, social, moral, cultural development. When evaluating schools' effectiveness, the schools will take into account learners' starting points for their progress and attainment. Diminishing the differences in the progress and standards achieved by the different groups of learners, and those eligible for pupil premium, in our schools in comparison to those of other pupils within each school and nationally is part of this KPI.

The quality of support and intervention strategies and the impact of systematic improvements in quality of teaching in all subjects and key stages on learners' achievement are at the core of this KPI.

##### Quality of Teaching

Raising achievement of all by consistently high-quality teaching is a core priority for all leaders in schools. The extent to which schools have successfully raised the quality of teaching year on year is a key KPI. Evaluations of school improvement include a scrutiny of teachers' planning and observation of teaching and learning across the whole curriculum and within and outside the classrooms.

##### Behaviour and Safety of Learners

This KPI seeks to establish strong links between the distinct Avanti ethos and values and the learning and social behaviours and attitudes that learners develop over time. Learners' safety, personal well-being, cultural and spiritual development and attendance will provide strong indicators of the impact of schools' work in these respects. The schools' full compliance with its statutory duties and responsibilities to protect and safeguard students and children is monitored closely to ensure that there are no risks to pupils' safety and well-being. The quality and effectiveness of multi-agency work to support children living in vulnerable circumstances and those with special educational needs and disabilities is part of such monitoring through termly school reviews as well as school self-evaluation processes.

##### Quality of Leadership and Management of the Schools

The effectiveness of leaders at different levels within the schools and governance is evaluated by its impact on the quality of teaching and outcomes for learners. Ambition and capacity to affect sustained improvements to achieve 'outstanding' Ofsted judgement status is a target for all the Academy Trust schools. Improving leadership capacity and accountability of leaders to secure high professional standards for staff and high performing learners are key to the success of this KPI.

##### Achievements and performance

# **AVANTI SCHOOLS TRUST**

## **DIRECTORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **Avanti House Secondary & Primary Schools**

The school opened as an all-through school in September 2012 as a free school. The two schools were formally demerged as of September 2017. During the academic year 2017-18 a short inspection of the secondary school was carried out by OFSTED. Overall the school was given a "Good" rating.

#### **Comments from the OFSTED report:**

"Through working as a team and developing a shared culture of high expectations, you and your leadership team have created a learning community that pupils say 'feels like a family'."

"Pupils also commented on how much they appreciate the guidance and encouragement that they receive from staff at their school. Pupils felt that the extra help you and your teachers give them is allowing them to improve their work."

".... more challenging work has resulted in well above average progress at the end of key stage 4 for pupils, including the most able. For current pupils, this rapid progress is also evident in the way they talk about what and how they learn."

The primary school is deemed a new school following the demerger from the DfE's perspective and has not yet had an inspection.

#### **Krishna Avanti Primary School (Harrow)**

The school joined the AST family in September 2012 as a converter Academy. In the academic year 2017-18 an inspection of the school was carried out under section 5 of the Education Act 2005. Overall the school was given a "Good" rating.

#### **Comments from the OFSTED report:**

"Behaviour is outstanding. Pupils are polite and kind to each other. They show great respect for other people's views and incidents of poor behaviour are extremely rare."

"Pupils are highly reflective about their own beliefs and can compare their faith with other religions. They learn to respect other people's faiths from an early age and know that everyone needs to be treated equally. As one pupil said, 'Instead of judging others, we look at how we can change ourselves'."

"Around the school, there is a calm and harmonious atmosphere."

"Pupils value their education. They love coming to school and take pride in it. Attendance is above the national average."

# **AVANTI SCHOOLS TRUST**

## **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2019***

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Krishna Avanti Primary School (Leicester)

The school opened in September 2011 in the first wave of free schools. In the academic year 2016-17 an inspection of the school was carried out under section 8 of the Education Act 2005. Overall the school was given a "Good" rating.

Comments from the OFSTED report:

"...the proportions of pupils, including disadvantaged pupils, who achieved expected levels in reading, writing and mathematics by the end of key stage 1 were above the national figures."

"You have ensured that the school is underpinned by the values of respect, self discipline, integrity, gratitude, courage and empathy. Pupils understand these values well and they are evident on displays around the school. Classrooms are bright and stimulating, with pupils' work in a wide range of subjects on display."

"You now have in place a strong senior leadership team who are knowledgeable and enthusiastic about their roles. They share an openness and honesty regarding their practice and are keen to learn from other schools, both locally and from within the trust."

"Parents are overwhelmingly supportive of the school. They told me that their children are happy, safe and making good progress. One parent who had recently moved their child from another school commented, 'We are ecstatic!'"

"The pupils I spoke with said overwhelmingly that they are happy, making good progress and feel safe. One pupil described the school to me as 'Perfect!' They are confident that bullying does not occur at Krishna Avanti and that behaviour both inside classrooms and on the playground is good. Pupils relish the wide range of extra-curricular activities that you offer, including karate, ballet, football, cricket, sewing and chess."

# **AVANTI SCHOOLS TRUST**

## **DIRECTORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **Avanti Court Primary School**

The school opened as a primary school in September 2012 as a voluntary-aided school. The school converted to an Academy on 1 December 2015. During the year 2018-19 there was a short OFSTED inspection.

#### **Comments from the OFSTED report:**

"Avanti Court Primary is a special place to learn. There is a balance between developing pupils academically and spiritually. The warmth of the school is obvious when first walking through the school gate. This is a school where everybody is made to feel welcome. Staff enjoy working here, and pupils enjoy learning here. This is because you and your team have worked hard to create a nurturing and inclusive environment. Pupils who are new to the school settle in well because there is a strong culture of respect in the school. Pupils are polite to a fault, and their behaviour is exemplary."

"Children who start school in Reception with starting points above their peers are encouraged straight away to challenge themselves through their own learning, or are directed to do so by the teacher. These high expectations continue throughout their time in the school."

"Pupils with higher starting points say they feel challenged by their teachers during lessons. During work scrutiny, it was apparent that these pupils were producing work that was above that expected for their age in many subjects, and especially in English, science and mathematics."

"In 2018, high-attaining Year 6 pupils' progress in mathematics and reading was above average. As a result, a higher proportion of pupils than found nationally attained the expected and the high standard in both subjects."

#### **Krishna Avanti Primary School (Croydon)**

Krishna Avanti Primary School opened in September 2016. It received its first OFSTED in 2018-19. The overall rating is Good.

#### **Comments from the OFSTED report:**

Pupils understand the school's values and bring them to life in the positive and gentle way they behave towards one another.

Attendance is well above the national average for similar schools and has improved even more in the current year. Leaders' excellent relationships with parents ensure that, when pupils do miss school, their attendance rapidly improves.

The systematic and consistently effective teaching of reading ensures that pupils make excellent progress over time. The proportion of Year 1 pupils reaching the expected standard in phonics exceeds the national average.

Pupils who arrive at the school speaking little English make particularly strong progress. As a result, they rapidly catch up with others in their class.

The school's work to promote pupils' personal development and welfare is good. The curriculum is implemented effectively and ensures that pupils understand the school's values. For example, pupils realise they can demonstrate integrity by continuing to cooperate even when they think adults are not watching them.

# AVANTI SCHOOLS TRUST

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Subsidiary company performance

From 1 September 2013 the Academy Trust began operating a wholly-owned subsidiary called Govinda's Limited. The subsidiary was created to take over the kitchen operation at Avanti Schools and to ensure that the catering operations are run in an efficient and cost-effective way. The subsidiary operates school kitchens at Krishna Avanti Harrow, Avanti House Secondary School, Avanti House Primary School and Avanti Court Primary School. This year it also began to operate the kitchens at our two Leicester schools. It continues to generate income from other contracts outside the Avanti family. Govinda's Limited continues to operate at a profit/break-even with any profits gifted to the parent company.

From September 2017, the Academy Trust began operating a wholly-owned subsidiary called Avanti Services Limited. The subsidiary was created to take over centralised and back-office functions for the Academy Trust and its schools. Avanti Services Limited continues to operate at a profit/break-even with any profits gifted to the parent company.

#### Going concern

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

#### **Financial review**

##### Financial report for the period

Most of the Academy Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, some of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (Charities SORP (FRS 102)), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2019, total expenditure of £19,350k (2018: £16,434k) was met by recurrent grant funding from the ESFA together with other incoming resources. The surplus of income over expenditure for the year (excluding restricted fixed asset funds, transfers to restricted fixed asset funds and actuarial losses on defined benefit pension schemes) was £345k (2018: £677k).

At 31 August 2019, the net book value of fixed assets was £50,367k (2018: £50,095k). Movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

The Leicestershire County Council Pension Fund, in which the Academy Trust participates, showed a deficit of £376k at 31 August 2019 (2018: £107k). The London Borough of Harrow Scheme in which the Academy Trust participates showed a deficit of £1,367k at 31 August 2019 (2018: £512k). The London Borough of Redbridge Pension Fund showed a deficit of £476k at 31 August 2019 (2018: £172k). The London Borough of Croydon Pension showed a deficit of £46k at 31 August 2019 (2018: £12k).

# AVANTI SCHOOLS TRUST

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Reserves policy

The Directors review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors have determined that the appropriate level of free reserves should be equivalent to two weeks' expenditure, approximately £744k (2018: £632k).

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy Trust's current level of free reserves of £3,339k (2018: £2,757k) (total funds excluding pension reserve deficit less the amount held in restricted fixed assets) is sufficient. The Academy Trust's free reserves include restricted general funds of £2,345k (2018: £1,930k).

#### Investment policy and powers

##### Investment policy

Under the Memorandum and Articles of Association, the Academy Trust has the power to invest funds not immediately required for its own purposes, in any way the Directors see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

##### Financial position

The Academy Trust held fund balances at 31 August 2019 of £51,022k (2018: £51,558k) comprising £50,028k (2018: £50,731k) of restricted funds and £994k (2018: £827k) of unrestricted general funds. Of the restricted funds, £49,948k (2018: £49,604k) is represented by tangible fixed assets.

The Pension Reserve which is considered part of restricted funds was £2,265k (2018: £803k) in deficit.

#### Principal risks and uncertainties

##### Financial and Risk Management Objectives and Policies

The Directors have assessed the major risks to which the Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the individual Academies and their finances. The Directors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. The Directors have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The financial risks to which Avanti Schools Trust is exposed relate primarily to:

- Change in government and legislation.
- Potential of reduced funding and cash flow.
- Reduction in student numbers.

##### Principal Risks and Uncertainties

The principal risks and uncertainties that Avanti Schools Trust faces are mitigated by the risk management process that the Academy Trust has in place.

#### Fundraising

The Academy Trust carries out a limited amount of fundraising, mindful of the communities within which it operates. In circumstances when fundraising is undertaken there is no obligation for any child/parent to donate. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate.

# AVANTI SCHOOLS TRUST

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Plans for future periods

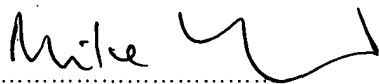
The Avanti Schools Trust will be looking to ensure that the current schools within the family continue to increase their standards. Our new free school in Leicester opened in September 2018. Brent is yet to be opened. We are looking forward to welcome our first non-denominational schools in the upcoming year. These include 3 existing academies in South-West England and 1 new presumption school in Hertfordshire (another 2 to follow).

### Auditor

Insofar as the Directors are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 9 December 2019 and signed on the board's behalf by:



Mr M Younger  
Chair



Mr N Gor  
Accounting Officer and Chief Executive Officer

# AVANTI SCHOOLS TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Scope of responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that Avanti Schools 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 Directors has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Avanti Schools Trust and the Secretary of State for Education. The Chief Executive Officer is also responsible for reporting to the Trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Board of Directors has met formally five times during the year and also had one Directors' Day. Attendance during the year at meetings of the Board of Directors was as follows:

Directors	Meetings attended	Out of possible
Mr N Gor (Accounting Officer and Chief Executive Officer)	5	5
Mrs U Sahni (Resigned 18 September 2018)	0	0
Mr M Ladwa (Resigned 5 November 2018)	0	1
Mr G Davis	5	5
Mr M Younger (Chair)	5	5
Dr K Pau	5	5
Mr V Doshi	5	5
Dr M Warrington	5	5
Mr M Patel (Resigned 25 September 2019)	2	5
Mrs B Nanthabalan	3	5
Mr K Raval (Resigned 25 September 2019)	1	3
Mr J Biddulph (Appointed 5 February 2019 and resigned 27 September 2019)	2	3
Mr B Shah (Appointed 2 May 2019)	1	1

The Academy Trust commissioned an external review of governance in 2017-18, carried out by the NGA. The Academy Trust will commission further such external reviews of governance every 2-3 years with internal reviews on an annual basis.

The review highlighted the many strengths in governance at the Academy Trust, including the composition of the Board of Directors and the structure who are focused on strategic impact.



# AVANTI SCHOOLS TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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The Audit Committee is a subcommittee of the main Board of Directors. Its purpose is to:

- review the body's internal and external financial statements and reports to ensure that they reflect best practice;
- discuss with the external auditor the nature and scope of each forthcoming audit and to ensure that the external auditor has the fullest co-operation of staff;
- consider all relevant reports by the appointed external auditor, including reports on the body's accounts, achievement of value for money and the response to any management letters;
- review the effectiveness of the body's internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner;
- consider and advise the Board on the body's annual and long-term audit programme;
- consider any other matters where requested to do so by the Board; and
- report at least once a year to the Board on the discharge of the above duties.

Attendance at meetings of the Audit Committee in the year were as follows:

Member	Meetings attended	Out of possible
Mr K Chotai	3	3
Mr V Doshi	2	3
Mr M Patel	2	2
Mr B Makrani	2	3
Mr N Sejpal	2	3
Mr M Sheth	2	3
Mr N Thaker	3	3

Messrs Makrani, Sejpal, Sheth and Thaker attended the meetings of the Audit Committee as set out above in an advisory role but are not formal members of the Audit Committee.

#### Review of value for money

As Accounting Officer, the Chief Executive 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 Directors 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:

# AVANTI SCHOOLS TRUST

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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- Improving educational results - The Academy Trust is committed to improving educational results at each of the schools and forms the heart of how spending decisions are made. Our schools have a fully embedded and developed tracking system for individual students that tracks levels of progress and attainment. We operated a robust school review process in the academic year which allows schools to focus their budget in areas focused strongly on school improvement. One of the schools within our family was subject to an OFSTED inspection for the year-ending 31 August 2019 with an overall rating of "Good".
- Ensuring strong financial governance and oversight supports VFM decision making - The Academy Trust operates a strong control environment with very clearly documented control processes and procedures which are consistent across the organisation. One of the key tenets of the control environment is to ensure that each school within the Academy Trust family should achieve value for money, particularly in relation to pupil outcomes and needs. Robust procurement procedures and controls have been established within each Academy Trust school to ensure this goal is achieved. This includes the requirement for additional levels of financial scrutiny and review for key risk purchases especially those of a higher value. School Finance Officers are accountable to the Principal and the Finance Director. The Finance Director is held to account by various parties these include the Chief Executive Officer, who is also the Accounting Officer of the Academy Trust, the Avanti Schools Trust Audit Committee, the Avanti Schools Trust Board of Directors, the appointed responsible officer and external auditors.
- Procurement procedures result in value for money - Contracts and services are regularly appraised and renegotiated when appropriate to ensure value for money. A procurement matrix is in place for each school in the Academy Trust which requires additional level of quotes, scrutiny and review for higher levels of payments. The Academy Trust always assesses the cost and benefits of various options before making a decision to ensure the right option for the longer term. The Academy Trust has been able to achieve economies and savings as a result of being able to share resources between schools and due to a larger buying power through our combined purchases.

### 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 the Academy Trust's 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 Avanti Schools 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.

### Capacity to handle risk

The Board of Directors 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 Directors 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 Directors.

# AVANTI SCHOOLS TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **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 Directors;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Directors has considered the need for a specific internal audit function and has decided:

- to appoint AIMS, a firm of Chartered Certified Accountants, as Responsible Officer.

The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular, the checks carried out in the current period include:

- Testing of payroll systems
- Testing of bank reconciliation
- Testing of purchase systems

The Responsible Officer has delivered their schedule of work as planned and no material control issues were identified.

### **Review of effectiveness**

As Accounting Officer, the Chief Executive 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 work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

# AVANTI SCHOOLS TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

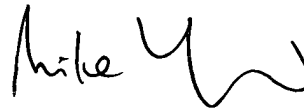
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The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Directors on 9 December 2019 and signed on its behalf by:



Mr N Gor  
Accounting Officer and  
Chief Executive Officer



Mr M Younger  
Chair

# **AVANTI SCHOOLS TRUST**

## **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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As Accounting Officer of Avanti Schools Trust I have considered my responsibility to notify the Academy Trust Board of Directors and the Education and 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 the Academy Trust Board of Directors and I 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 Directors and ESFA.

Date: <sup>9</sup>..... December 2019



Mr N Gor  
Accounting Officer and Chief Executive Officer

# AVANTI SCHOOLS TRUST

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial period. Under company law the Directors 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 Directors 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 judgements 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 Directors 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 Directors 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 the ESFA/DfE have been applied for the purposes intended.

The Directors 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 Directors on 9 December 2019 and signed on its behalf by:



Mr M Younger  
Chair



Mr N Gor  
Accounting Officer and Chief Executive Officer

# AVANTI SCHOOLS TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVANTI SCHOOLS TRUST

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Opinion

We have audited the financial statements of Avanti Schools Trust (the 'parent Academy Trust') and its subsidiary companies (the 'group') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the 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 and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent Academy Trust's affairs as at 31 August 2019 and of the group's 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 prepared in accordance with the Charities SORP 2015 and the 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 group 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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The Directors 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. 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVANTI SCHOOLS TRUST (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

FOR THE YEAR ENDED 31 AUGUST 2019

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Directors' Report including the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report including the incorporated strategic 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 group and of the parent Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report, including the incorporated 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 parent Academy Trust's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities, the Directors 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 Directors 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 Directors are responsible for assessing the group's and the parent Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the group or the parent Academy Trust or to cease operations, or have no realistic alternative but to do so.

**Auditor's 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 auditor's 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



# AVANTI SCHOOLS TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVANTI SCHOOLS TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### Use of our report

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

*Wilkins Kennedy Audit Services*

David Cary LLB FCA (Senior Statutory Auditor)  
for and on behalf of Wilkins Kennedy Audit Services

*12/12/19*

Statutory Auditor

Anglo House  
Bell Lane Office Village  
Bell Lane  
Amersham  
Buckinghamshire  
HP6 6FA

# **AVANTI SCHOOLS TRUST**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AVANTI SCHOOLS TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

***FOR THE YEAR ENDED 31 AUGUST 2019***

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In accordance with the terms of our engagement letter dated 8 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Avanti Schools 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 Avanti Schools Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Avanti Schools Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Avanti Schools Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Avanti Schools Trust's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of the Academy's funding agreement with the Secretary of State for Education dated 9 August 2012 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, in our opinion, anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

# AVANTI SCHOOLS TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AVANTI SCHOOLS TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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As a firm we have taken the decision to use the Mercia work programme for regularity audit as approved by the ICAEW. The work undertaken to draw to our conclusion includes:

- Identification and assessment of the design and operational effectiveness of controls in place.
- Assessment and review of the policies and procedures in place and implementation thereof.
- Assessment that the policies and procedures have been implemented.
- Considered the activity represented by the expenditure and considered whether any may represent a breach of terms included within the funding agreement and the academy's charitable objects.
- Reviewed for potential related party transactions (connected parties) by reviewing the register of interests, and if any identified and transactions have occurred, the procurement policy has been agreed to ensure all transactions have followed the internal process.
- Considered whether the movements, including the level of disposals, and depreciation of fixed assets appear reasonable in view of our knowledge of the Trust, its funding and consent received for disposals.
- Verified a sample of grants receivable to grant documentation, especially noting any restrictions as to timing or other recognition of the income, and any claw back clauses.
- Considered whether income appeared to be derived from activities outside of the Trust's charitable objects and wider framework of authorities.
- Ensured that bank accounts are operated within the terms of the governing document, delegated powers, and the bank mandates.
- Considered the systems in place to ensure compliance with terms of funding and other relevant authorities (eg. terms of the Academies Financial Handbook or terms relevant to non-core funding streams).
- Ensured that the overall level of retained funds is acceptable in view of the academy's needs and plans, and that the accumulated funds are justifiable and permissible under the terms of funding.

### 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 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.

*Wilkins Kennedy Audit Services*

### Reporting Accountant

Wilkins Kennedy Audit Services  
Anglo House  
Bell Lane Office Village  
Bell Lane  
Amersham  
Buckinghamshire  
HP6 6FA

Dated: 12/12/19.....

# AVANTI SCHOOLS TRUST

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

		Unrestricted Funds	Restricted funds: General Fixed asset		Total 2019	Total 2018 As re-stated
	Notes	£000	£000	£000	£000	£000
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	25	1,773	1,798	17,711
Charitable activities:						
- Funding for educational operations	4	-	16,558	-	16,558	14,124
Other trading activities	5	218	1,321	-	1,539	1,353
Investments	6	3	-	-	3	3
<b>Total income and endowments</b>		<u>221</u>	<u>17,904</u>	<u>1,773</u>	<u>19,898</u>	<u>33,191</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	8&9	-	17,780	1,570	19,350	16,434
<b>Total expenditure</b>	7	<u>-</u>	<u>17,780</u>	<u>1,570</u>	<u>19,350</u>	<u>16,434</u>
<b>Net income/(expenditure)</b>		221	124	203	548	16,757
Transfers between funds		(54)	(87)	141	-	-
<b>Other recognised gains and losses</b>						
Actuarial (losses)/gains on defined benefit pension schemes	21	-	(1,084)	-	(1,084)	532
<b>Net movement in funds</b>		167	(1,047)	344	(536)	17,289
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>827</u>	<u>1,127</u>	<u>49,604</u>	<u>51,558</u>	<u>34,269</u>
Total funds carried forward		<u>994</u>	<u>80</u>	<u>49,948</u>	<u>51,022</u>	<u>51,558</u>

# AVANTI SCHOOLS TRUST

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019


Comparative year information as re-stated Year ended 31 August 2018		Unrestricted Funds	Restricted funds:		Total 2018
	Notes	£000	General £000	Fixed asset £000	£000
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	33	17,678	17,711
Charitable activities:					
- Funding for educational operations	4	-	14,124	-	14,124
Other trading activities	5	90	1,263	-	1,353
Investments	6	3	-	-	3
<b>Total income and endowments</b>		<u>93</u>	<u>15,420</u>	<u>17,678</u>	<u>33,191</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	8&9	-	14,836	1,598	16,434
<b>Total expenditure</b>	7	<u>-</u>	<u>14,836</u>	<u>1,598</u>	<u>16,434</u>
<b>Net income</b>		93	584	16,080	16,757
Transfers between funds		-	(190)	190	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	21	-	532	-	532
<b>Net movement in funds</b>		93	926	16,270	17,289
<b>Reconciliation of funds</b>					
Total funds brought forward		734	201	33,334	34,269
Total funds carried forward		<u>827</u>	<u>1,127</u>	<u>49,604</u>	<u>51,558</u>

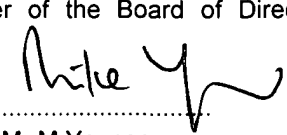
**AVANTI SCHOOLS TRUST**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

		2019		2018	
	Notes	£000	£000	As re-stated £000	£000
<b>Fixed assets</b>					
Tangible assets	13		50,367		50,095
<b>Current assets</b>					
Stocks	15	9		13	
Debtors	16	1,109		990	
Cash at bank and in hand		5,069		4,696	
		6,187		5,699	
Creditors: amounts falling due within one year	17	(3,267)		(3,433)	
<b>Net current assets</b>			2,920		2,266
<b>Total assets less current liabilities</b>			53,287		52,361
Defined benefit pension liability	21		(2,265)		(803)
<b>Net assets</b>			51,022		51,558
<b>Funds of the Academy Trust:</b>					
<b>Restricted income funds</b>	20				
- Fixed asset funds			49,948		49,604
- General funds			2,345		1,930
- Pension reserve			(2,265)		(803)
<b>Total restricted funds</b>			50,028		50,731
<b>Unrestricted funds</b>	20		994		827
<b>Total funds</b>			51,022		51,558

The financial statements were approved by order of the Board of Directors and authorised for issue on

9 Dec 2019

  
Mr N Gor  
Accounting Officer and Chief Executive  
Officer

  
Mr M Younger  
Chair

Company Number 07506598

# AVANTI SCHOOLS TRUST

## COMPANY BALANCE SHEET

AS AT 31 AUGUST 2019

		2019		2018	
	Notes	£000	£000	As re-stated £000	£000
<b>Fixed assets</b>					
Tangible assets	13		50,364		50,090
Fixed asset investments	14		-		-
<b>Total fixed assets</b>			<u>50,364</u>		<u>50,090</u>
<b>Current assets</b>					
Debtors	16	1,030		966	
Cash at bank and in hand		<u>4,939</u>		<u>4,509</u>	
		5,969		5,475	
Creditors: amounts falling due within one year	17	<u>(3,106)</u>		<u>(3,393)</u>	
<b>Net current assets</b>			<u>2,863</u>		<u>2,082</u>
<b>Total assets less current liabilities</b>			53,227		52,172
Defined benefit pension liability	21		<u>(2,265)</u>		<u>(803)</u>
<b>Net assets</b>			<u>50,962</u>		<u>51,369</u>
<b>Funds of the Academy Trust:</b>					
<b>Restricted income funds</b>	20				
- Fixed asset funds			49,945		49,599
- Pension reserve			(2,265)		(803)
- General funds			<u>2,288</u>		<u>1,746</u>
<b>Total restricted funds</b>			49,968		50,542
<b>Unrestricted funds</b>	20		<u>994</u>		<u>827</u>
<b>Total funds</b>			<u>50,962</u>		<u>51,369</u>

The financial statements were approved by order of the Board of Directors and authorised for issue on

9 Dec 2019

Mr N Gor  
Accounting Officer and Chief Executive  
Officer

Mr M Younger  
Chair

Company Number 07506598

# AVANTI SCHOOLS TRUST

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £000	£000	2018 £000	£000
<b>Cash flows from operating activities</b>					
Net cash used in operating activities	23		(94)		(747)
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		3		3	
Capital grants from DfE and ESFA		1,773		17,678	
Payments to acquire tangible fixed assets		(1,309)		(17,871)	
			467		(190)
<b>Change in cash and cash equivalents in the reporting period</b>			373		(937)
Cash and cash equivalents at 1 September 2018			4,696		5,633
<b>Cash and cash equivalents at 31 August 2019</b>			5,069		4,696



# AVANTI SCHOOLS TRUST

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1 Accounting policies

Avanti Schools Trust is a charitable company, limited by guarantee, registered in England and Wales. The company's registered number, registered office address and address of its principal place of business is given on page 1 and the nature of its operations is set out in the Directors' Report.

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.

##### 1.1 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.

Avanti Schools Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in sterling (£), which is also the functional currency for the Academy Trust.

##### 1.2 Going concern

The Directors 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 Directors 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.

##### 1.3 Income

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

###### Grants

Grants, where conditions have been met to establish entitlement, are included in the statement of financial activities on a receivable basis. Where grants are received but conditions establishing entitlement have not been met, these are deferred. The balance of income receivable for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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.

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.

# AVANTI SCHOOLS TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 1 Accounting policies

#### Donations

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

#### 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

The value of donated services and gifts in kind provided to the Trust is recognised in the statement of financial activities as incoming resources and resources expended at their estimated value to the Trust in the year in which they are receivable, and where the benefit is both quantifiable and material.

Where it has been ascertained that the risks and rewards of property subject to long lease agreements lie substantially with the Trust, a reasonable estimate of the gross value is included within fixed assets and, with an appropriate credit to voluntary income (gift in kind), within the restricted fixed asset fund. The valuation is at an estimation of depreciated replacement cost on the basis that the assets represent specialised property and the open market value for existing use is not readily available.

#### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

#### Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

### 1.4 Expenditure

All expenditure is recognised in the year in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs. All resources expended are inclusive of irrecoverable VAT.

#### 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.

#### Governance costs

Governance costs include the costs attributable to the Trust's compliance and constitutional and statutory requirements, including audit, strategic management and Board of Directors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

# AVANTI SCHOOLS TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 1 Accounting policies

#### Allocation of costs

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Academy Trust's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs and depreciation are directly attributable to the one principal activity of the Academy Trust.

#### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets acquired since the Trust was established are included in the accounts at cost. Assets costing less than £5,000 are written off in the year of acquisition. All other assets are capitalised.

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. The related grants are credited to a restricted fixed asset fund (in the Statement of Financial Activities and carried forward in the balance sheet). The depreciation on such assets is charged to the restricted fund in the Statement of Financial Activities.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write them down to their estimated residual values on a straight-line basis over its expected useful life, as follows:

Land & buildings	2% (Building Improvements 6.67%)
Plant & machinery	10%
ICT	33.3%
Fixtures, fittings & equipment	20%
Motor vehicles	20%

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

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

#### 1.6 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.

#### 1.7 Leasing commitments

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

#### 1.8 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:

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# AVANTI SCHOOLS TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 1 Accounting policies

#### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Amounts due by the charity's wholly-owned subsidiaries 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 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. Amounts due to the charity's wholly-owned subsidiaries are held at face value less any impairment.

### 1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow-moving stock.

### 1.10 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and, therefore, 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.

### 1.11 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. 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.

# AVANTI SCHOOLS TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 1 Accounting policies

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 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.

#### 1.12 Fund accounting

General funds represent those resources which may be used towards meeting any of the objects of the Academy Trust at the discretion of the Directors.

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

Restricted funds comprise all other restricted funds received and include grants from the ESFA and DfE.

### 2 Critical accounting estimates and areas of judgement

Accounting 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, 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 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.

#### Critical areas of judgement

The Directors consider that the only area of judgement that is critical to the Academy Trust's financial statements is the freehold property valuation, which was determined by the ESFA on conversion to Academy Trust status.

# AVANTI SCHOOLS TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019.

### 3 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
Capital grants	-	1,773	1,773	17,678
Other donations	-	25	25	33
	<u>-</u>	<u>1,798</u>	<u>1,798</u>	<u>17,711</u>

### 4 Funding for the Academy Trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	14,152	14,152	12,120
Start-up grants	-	333	333	417
Other DfE group grants	-	1,563	1,563	1,009
	<u>-</u>	<u>16,048</u>	<u>16,048</u>	<u>13,546</u>
<b>Other government grants</b>				
Local authority grants	-	510	510	578
	<u>-</u>	<u>510</u>	<u>510</u>	<u>578</u>
<b>Total funding</b>	<u>-</u>	<u>16,558</u>	<u>16,558</u>	<u>14,124</u>

### 5 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
Catering income	-	794	794	819
Other income	218	527	745	534
	<u>218</u>	<u>1,321</u>	<u>1,539</u>	<u>1,353</u>

### 6 Investment income

	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
Short term deposits	<u>3</u>	<u>-</u>	<u>3</u>	<u>3</u>

# AVANTI SCHOOLS TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 7 Expenditure

	Staff costs	Premises & equipment	Other costs	Total 2019	Total 2018 As re-stated
	£000	£000	£000	£000	£000
Academy's educational operations					
- Direct costs	9,088	-	1,277	10,365	9,290
- Allocated support costs	4,135	3,464	1,386	8,985	7,144
	<u>13,223</u>	<u>3,464</u>	<u>2,663</u>	<u>19,350</u>	<u>16,434</u>

Net income/(expenditure) for the year includes:

	2019 £000	2018 £000
Fees payable to auditor for audit services	33	27
Operating lease rentals	418	318
Depreciation of tangible fixed assets	1,037	1,075
Loss on disposal of fixed assets	-	7
Net interest on defined benefit pension liability	26	25

### Central services

The Academy Trust has provided the following central services to its academies during the year;

- Major capital projects support
- Financial services
- Educational support services
- Others as arising

The amounts charged during the year were as follows:

		2019 Total £000	2018 Total £000
Avanti House Secondary School	Harrow	276	235
Krishna Avanti Primary School (3)	Croydon	28	23
Krishna Avanti Primary School (1)	Leicester	87	90
Avanti Court Primary School	Redbridge	158	153
Krishna Avanti Primary School (2)	Harrow	104	97
Avanti House Primary School	Harrow	105	89
Avanti Fields School	Leicester	36	-
		<u>794</u>	<u>687</u>

# AVANTI SCHOOLS TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 8 Charitable activities

	Total 2019 £000	Total 2018 As re-stated £000
<b>Direct costs</b>		
Teaching and educational support staff costs	9,010	8,212
Educational supplies and services	650	578
Examination fees	77	47
Staff development	78	124
Educational consultancy	58	26
Other direct costs	492	303
	<u>10,365</u>	<u>9,290</u>
<b>Allocated support costs</b>		
Support staff costs	4,135	2,901
Depreciation	1,037	1,082
Technology costs	296	239
Recruitment and support	80	55
Maintenance of premises and equipment	1,023	1,041
Cleaning	348	256
Energy costs	273	236
Rent and rates	623	374
Insurance	102	69
Security and transport	60	44
Catering	401	380
Interest and finance costs	26	25
Other support costs	333	289
	<u>8,737</u>	<u>6,991</u>
<b>Total costs</b>	<u>19,102</u>	<u>16,281</u>

### 9 Governance costs

	Total 2019 £000	Total 2018 £000
Legal and professional fees	214	106
Auditor's remuneration		
- Audit of financial statements	34	27
Other governance costs	-	21
	<u>248</u>	<u>154</u>



# AVANTI SCHOOLS TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 10 Staff costs

	2019 £000	2018 £000
Wages and salaries	10,531	8,778
Social security costs	870	755
Operating costs of defined benefit pension schemes	1,718	1,557
Apprenticeship levy	26	23
Staff costs	13,145	11,113
Staff development and other staff costs	78	124
Total staff expenditure	13,223	11,237

### Staff numbers

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

	2019 Number	2018 Number
Teachers	155	147
Administration and support	193	156
	348	303

### Higher paid staff

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

	2019 Number	2018 Number
£60,000 - £70,000	4	4
£70,001 - £80,000	4	4
£80,001 - £90,000	4	3
£90,001 - £100,000	1	2
£100,001 - £110,000	1	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-

### Key management personnel

The key management personnel of the Academy Trust comprise the Directors and 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 £678,062 (2018: £509,490).

# AVANTI SCHOOLS TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 11 Directors' remuneration and expenses

One or more Directors has been paid remuneration or has received other benefits from employment with the Academy Trust. The staff Directors and Trustees only receive remuneration in respect of services they provide undertaking the roles of staff members under their contracts of employment. Other Directors did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Directors. During the year, travel and subsistence payments totalling £7,857 (2018: £5,779) were reimbursed to 3 (2018: 5) Directors.

The one (2018: three) staff Directors who received remuneration were:

Name	2019	2018
N. Gor		
Gross salary	£140,001 - £145,000	£135,001 - £140,000
Employer's National Insurance	£ 15,001 - £ 20,000	£ 15,001 - £ 20,000
Employer's pension contributions	£ 25,001 - £ 30,000	£ 20,001 - £ 25,000
U. Sahni		
Gross salary	£ 0	£ 90,001 - £ 95,000
Employer's National Insurance	£ 0	£ 10,001 - £ 15,000
Employer's pension contributions	£ 0	£ 0
K. Patel		
Gross salary	£ 0	£ 80,001 - £ 85,000
Employer's National Insurance	£ 0	£ 10,001 - £ 15,000
Employer's pension contributions	£ 0	£ 15,001 - £ 20,000

Other related party transactions involving the Directors are set out within the related parties note.

### 12 Directors 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.

# **AVANTI SCHOOLS TRUST**

## **NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

### **13 Tangible fixed assets** **Group**

	Land & buildings	Assets under construction	Plant & machinery	ICT	Fixtures, fittings & equipment	Motor vehicles	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Cost</b>							
At 1 September 2018 as re-stated	44,160	6,999	165	135	62	16	51,537
Transfer on completion	7,924	(8,105)	181	-	-	-	-
Additions	110	1,106	14	27	33	19	1,309
At 31 August 2019	52,194	-	360	162	95	35	52,846
<b>Depreciation</b>							
At 1 September 2018 as re-stated	1,298	-	33	76	32	3	1,442
Charge for the year	944	-	36	38	12	7	1,037
At 31 August 2019	2,242	-	69	114	44	10	2,479
<b>Net book value</b>							
At 31 August 2019	49,952	-	291	48	51	25	50,367
At 31 August 2018 as re-stated	42,862	6,999	132	59	30	13	50,095

# **AVANTI SCHOOLS TRUST**

## **NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

### **13 Tangible fixed assets** **Company**

	Land & buildings	Assets under construction	Plant & machinery	ICT	Fixtures, fittings & equipment	Motor vehicles	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Cost</b>							
At 1 September 2018 as re-stated	44,160	6,999	165	135	62	9	51,530
Transfer on completion	7,924	(8,105)	181	-	-	-	-
Additions	110	1,106	14	27	33	19	1,309
At 31 August 2019	52,194	-	360	162	95	28	52,839
<b>Depreciation</b>							
At 1 September 2018 as re-stated	1,298	-	33	76	32	1	1,440
Charge for the year	944	-	36	38	12	5	1,035
At 31 August 2019	2,242	-	69	114	44	6	2,475
<b>Net book value</b>							
At 31 August 2019	49,952	-	291	48	51	22	50,364
At 31 August 2018 as re-stated	42,862	6,999	132	59	30	8	50,090

## AVANTI SCHOOLS TRUST

### NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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#### 13 Tangible fixed assets

Security held by the Secretary of State for Education

##### Group and Company

Legal charges dated 30 March 2012 and 18 February 2015 are held by The Secretary of State for Education, giving him/her a fixed charge over land and buildings at St. Paul's Roman Catholic School, Spencefield Lane, Leicester and on the west side of Spencefield Lane, Leicester, LE5 6HN known as Evington Hall, Spencefield Lane, Leicester, LE5 6HN.

The charges were registered with Companies House on 17 April 2012 and 9 March 2015.

The net book value of land and buildings comprises:

	2019 £000	2018 £000
Freeholds	41,433	34,235
Long leaseholds (over 50 years)	8,519	8,627
	<u>49,952</u>	<u>42,862</u>

##### Prior Period Adjustment

A prior period adjustment has been made to these financial statements. This is due to a change in the group's and the company's accounting policy for the recognition of capital expenditure, whereby assets costing less than £5,000 are now written off in the year of acquisition, whereas in the financial statements for previous years, this threshold had been set at £1,000. As a result, Tangible Fixed Assets purchased in previous years with an individual cost of between £1,000 and £4,999, and with a total net book value of £332k, have been written off by a prior period adjustment.

## AVANTI SCHOOLS TRUST

### NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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**14 Fixed asset investments**  
**Company**

Historical cost:  
At 31 August  
2019

At 31 August  
2018

**Total**  
**£000**

-

-

The investment in group undertakings relates to the cost of:

- the 1 ordinary share of £1 (2018: 1 ordinary share of £1), being 100% of the issued share capital of Govinda's Limited, a company incorporated in England and Wales, which is a trading subsidiary of the charitable company.
- the 100 ordinary shares of £1 (2018: 100 ordinary shares of £1), being 100% of the issued share capital of Avanti Services Limited, a new company incorporated in England and Wales, which is a trading subsidiary of the charitable company.

# AVANTI SCHOOLS TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 14 Fixed asset investments

##### Govinda's Limited

Nature of business: School catering

	%
<b>Class of share:</b>	<b>Holding</b>
Ordinary	100
	<b>2019</b>
	<b>£000</b>
	<b>2018</b>
	<b>£000</b>
Aggregate capital and reserves	41
	159

The investment in group undertakings relates to the cost of the 1 ordinary share of £1 (2018: 1 ordinary share of £1), being 100% of the issued share capital of Govinda's Limited, a company incorporated in England and Wales, which is a trading subsidiary of the charitable company.

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Turnover	1,178	1,080
Cost of Sales	<u>(368)</u>	<u>(341)</u>
Gross profit	810	739
Administrative expenses	(785)	(587)
Other operating income and interest receivable	<u>10</u>	<u>-</u>
Profit for the year	35	152
Donation to Avanti Schools Trust	(153)	(128)
Total comprehensive income for the year	<u>(118)</u>	<u>24</u>
The aggregate of the assets, liabilities and funds was:		
Assets	151	217
Liabilities	<u>(110)</u>	<u>(58)</u>
Funds	<u>41</u>	<u>159</u>

# AVANTI SCHOOLS TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 14 Fixed asset investments

##### Avanti Services Limited

Nature of business: Provision of services to parent company

Class of share:	% Holding
Ordinary	100

	2019 £000	2018 £000
Aggregate capital and reserves	19	30

The investment in group undertakings relates to the cost of the 100 ordinary shares of £1 (2018: 100 ordinary shares of £1) being 100% of the issued share capital of Avanti Services Limited, a company incorporated in England and Wales, which is a trading subsidiary of the charitable company.

	2019 £000	2018 £000
Turnover	550	132
Cost of Sales	470	(98)
Gross profit	80	34
Administrative expenses	(61)	(4)
Profit for the year	19	30
Donation to Avanti Schools Trust	(30)	-
Total comprehensive income for the year	11	30

The aggregate of the assets, liabilities and funds was:

Assets	86	48
Liabilities	67	(18)
Funds	19	30



# AVANTI SCHOOLS TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

<b>15</b>	<b>Stocks</b>	<b>Company</b>	<b>Company</b>	<b>Group</b>	<b>Group</b>
		<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
	Catering stock	-	-	9	13
<hr/>					
<b>16</b>	<b>Debtors</b>	<b>Company</b>	<b>Company</b>	<b>Group</b>	<b>Group</b>
		<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
	Trade debtors	33	33	101	65
	Other debtors	261	576	277	577
	Prepayments and accrued income	728	348	731	348
	Amounts owed by group undertakings	8	9	-	-
<hr/>					
		1,030	966	1,109	990
<hr/>					
<b>17</b>	<b>Creditors:</b>	<b>Company</b>	<b>Company</b>	<b>Group</b>	<b>Group</b>
	<b>Amounts falling due within one year</b>				
		<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
	Trade creditors	280	441	334	453
	Taxes and social security costs	155	170	223	192
	Other creditors	338	759	378	762
	Accruals and deferred income	2,325	2,023	2,332	2,026
	Amounts owed to group undertakings	8	-	-	-
<hr/>					
		3,106	3,393	3,267	3,433
<hr/>					
<b>18</b>	<b>Deferred income:</b>			<b>2019</b>	<b>2018</b>
	<b>Group and Company</b>			<b>£000</b>	<b>£000</b>
	Deferred income is included within:				
	Creditors due within one year			678	530
<hr/>					
	Deferred income at 1 September 2018			530	646
	Released from previous years			(530)	(646)
	Resources deferred in the year			678	530
<hr/>					
	<b>Deferred income at 31 August 2019</b>			<b>678</b>	<b>530</b>
<hr/>					

Income received during the year specific to funding for future periods has been deferred accordingly. As at the balance sheet date the Academy Trust was holding funds received in advance for the year 2019/20 relating to Infant Free School Meals, educational trips, rates relief, catering and other revenue grants.

# AVANTI SCHOOLS TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 19 Financial instruments

	Company 2019 £000	Company 2018 £000	Group 2019 £000	Group 2018 £000
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	302	618	378	642
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	2,273	2,693	2,366	2,711

### 20 Funds

Group	Balance at 1 September 2018 As re-stated £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
<b>Restricted general funds</b>					
General Annual Grant	1,930	14,152	(13,650)	(87)	2,345
Start-up grants	-	333	(333)	-	-
Other DfE / ESFA grants	-	1,563	(1,563)	-	-
Other government grants	-	510	(510)	-	-
Other restricted funds	-	1,346	(1,346)	-	-
Funds excluding pensions	1,930	17,904	(17,402)	(87)	2,345
Pension reserve	(803)	-	(378)	(1,084)	(2,265)
	1,127	17,904	(17,780)	(1,171)	80
<b>Restricted fixed asset funds</b>					
DfE / ESFA capital grants	49,604	1,773	(1,570)	141	49,948
<b>Total restricted funds</b>	50,731	19,677	(19,350)	(1,030)	50,028
<b>Unrestricted funds</b>					
General funds	827	221	-	(54)	994
<b>Total funds</b>	51,558	19,898	(19,350)	(1,084)	51,022

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

General funds represent those resources which may be used towards meeting any of the objects of the Academy Trust at the discretion of the Directors.

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

Restricted funds comprise all other restricted funds received and include grants from the and DfE.

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

# AVANTI SCHOOLS TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Funds Company	Balance at 1 September 2018 As re-stated £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
<b>Restricted general funds</b>					
General Annual Grant	1,930	14,152	(13,650)	(87)	2,345
Start-up grants	-	333	(333)	-	-
Other DfE / ESFA grants	-	1,563	(1,563)	-	-
Other government grants	-	510	(510)	-	-
Other restricted funds	(184)	1,473	(1,346)	-	(57)
	<u>1,746</u>	<u>18,031</u>	<u>(17,402)</u>	<u>(87)</u>	<u>2,288</u>
Funds excluding pensions					
Pension reserve	(803)	-	(378)	(1,084)	(2,265)
	<u>943</u>	<u>18,031</u>	<u>(17,780)</u>	<u>(1,171)</u>	<u>23</u>
<b>Restricted fixed asset funds</b>					
DfE / ESFA capital grants	49,599	1,773	(1,568)	141	49,945
	<u>49,599</u>	<u>1,773</u>	<u>(1,568)</u>	<u>141</u>	<u>49,945</u>
<b>Total restricted funds</b>	<u>50,542</u>	<u>19,804</u>	<u>(19,348)</u>	<u>(1,030)</u>	<u>49,968</u>
<b>Unrestricted funds</b>					
General funds	827	221	-	(54)	994
	<u>827</u>	<u>221</u>	<u>-</u>	<u>(54)</u>	<u>994</u>
<b>Total funds</b>	<u>51,369</u>	<u>20,025</u>	<u>(19,348)</u>	<u>(1,084)</u>	<u>50,962</u>

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

General funds represent those resources which may be used towards meeting any of the objects of the Academy Trust at the discretion of the Directors.

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

Restricted funds comprise all other restricted funds received and include grants from the ESFA and DfE.

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

# AVANTI SCHOOLS TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 20 Funds

#### Movements in funds - previous year as re-stated

Group	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
<b>Restricted general funds</b>					
General Annual Grant	1,093	12,120	(11,093)	(190)	1,930
Start-up grants	-	417	(417)	-	-
Other DfE / ESFA grants	-	1,009	(1,009)	-	-
Other government grants	-	578	(578)	-	-
Other restricted funds	-	1,296	(1,296)	-	-
	<u>1,093</u>	<u>15,420</u>	<u>(14,393)</u>	<u>(190)</u>	<u>1,930</u>
Funds excluding pensions	1,093	15,420	(14,393)	(190)	1,930
Pension reserve	(892)	-	(443)	532	(803)
	<u>201</u>	<u>15,420</u>	<u>(14,836)</u>	<u>342</u>	<u>1,127</u>
<b>Restricted fixed asset funds</b>					
Inherited funds	7,799	-	-	-	7,799
DfE / ESFA capital grants	25,535	17,678	(1,598)	190	41,805
	<u>33,334</u>	<u>17,678</u>	<u>(1,598)</u>	<u>190</u>	<u>49,604</u>
<b>Total restricted funds</b>	<u>33,535</u>	<u>33,098</u>	<u>(16,434)</u>	<u>532</u>	<u>50,731</u>
<b>Unrestricted funds</b>					
General funds	734	93	-	-	827
<b>Total funds</b>	<u>34,269</u>	<u>33,191</u>	<u>(16,434)</u>	<u>532</u>	<u>51,558</u>

# AVANTI SCHOOLS TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Funds					
Movement in funds – previous year as re-stated					
Company	Balance at 1 September 2017	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2018
	£000	£000	£000	£000	£000
<b>Restricted general funds</b>					
General Annual Grant	1,093	12,120	(11,093)	(190)	1,930
Start-up grants	-	417	(417)	-	-
Other DfE / ESFA grants	-	621	(621)	-	-
Other government grants	-	578	(578)	-	-
Other restricted funds	(128)	1,629	(1,685)	-	(184)
	<u>965</u>	<u>15,365</u>	<u>(14,394)</u>	<u>(190)</u>	<u>1,746</u>
Funds excluding pensions					
Pension reserve	(892)	-	(443)	532	(803)
	<u>73</u>	<u>15,365</u>	<u>(14,837)</u>	<u>342</u>	<u>943</u>
<b>Restricted fixed asset funds</b>					
Inherited funds	7,799	-	-	-	7,799
DfE / ESFA capital grants	25,529	17,678	(1,597)	190	41,800
	<u>33,328</u>	<u>17,678</u>	<u>(1,597)</u>	<u>190</u>	<u>49,599</u>
<b>Total restricted funds</b>	<u>33,401</u>	<u>33,043</u>	<u>(16,434)</u>	<u>532</u>	<u>50,542</u>
<b>Unrestricted funds</b>					
General funds	734	93	-	-	827
<b>Total funds</b>	<u>34,135</u>	<u>33,136</u>	<u>(16,434)</u>	<u>532</u>	<u>51,369</u>

# AVANTI SCHOOLS TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 20 Funds

#### Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	Group
	Total
	£000
Avanti House Secondary School	520
Krishna Avanti Primary School (3)	25
Krishna Avanti Primary School (1)	768
Avanti Court Primary School	384
Krishna Avanti Primary School (2)	572
Avanti House Primary School	284
Avanti Fields School	25
Central services / subsidiary companies	761
Total before fixed assets fund and pension reserve	3,339
Restricted fixed asset fund	49,948
Pension reserve	(2,265)
Total funds	51,022

#### Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
	£000	£000	£000	£000	£000
Avanti House Secondary School	3,197	448	161	942	4,748
Krishna Avanti Primary School (3)	353	59	70	150	632
Krishna Avanti Primary School (1)	1,015	217	80	297	1,609
Avanti Court Primary School	2,126	346	142	338	2,952
Krishna Avanti Primary School (2)	1,275	238	100	226	1,839
Avanti House Primary School	1,174	276	90	541	2,081
Avanti Fields School	375	93	79	332	879
Central services / subsidiary companies	3	2,190	424	423	3,040
	9,518	3,867	1,146	3,249	17,780

# AVANTI SCHOOLS TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 20 Funds

#### Funds analysis by academy - previous year

Fund balances at 31 August 2018 were allocated as follows:

	Group Total 2018 As re-stated £000
Avanti House Secondary School	Harrow 254
Krishna Avanti Primary School (3)	Croydon 2
Krishna Avanti Primary School (1)	Leicester 639
Avanti Court Primary School	Redbridge 153
Krishna Avanti Primary School (2)	Harrow 515
Avanti House Primary School	Harrow 201
Avanti Fields School	Leicester -
Central services / subsidiary companies	993
Total before fixed assets fund and pension reserve	2,757
Restricted fixed asset fund	49,604
Pension reserve	(803)
Total funds	51,558

#### Total cost analysis by academy - previous year

Expenditure incurred by each academy during the previous year was as follows:

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2018 £000
Avanti House Secondary School	2,767	648	178	659	4,252
Krishna Avanti Primary School (3)	281	73	22	46	422
Krishna Avanti Primary School (1)	1,006	335	92	266	1,699
Avanti Court Primary School	1,945	307	75	430	2,757
Krishna Avanti Primary School (2)	1,212	222	94	242	1,770
Avanti House Primary School	998	209	101	453	1,761
Avanti Fields School	-	-	-	-	-
Central services / subsidiary companies	3	1,515	32	626	2,176
	8,212	3,309	594	2,722	14,837

# AVANTI SCHOOLS TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### **21 Pensions and similar obligations** **Group and Company**

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 four different local authorities (Leicestershire County Council, London Borough of Harrow, London Borough of Redbridge and London Borough of Croydon). All are multi-employer defined-benefit schemes.

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

Contributions amounting to £51k (2018: £98k) were payable to the schemes at 31 August 2019 and are included within creditors.

#### **Teachers' Pension Scheme**

##### **Introduction**

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

##### **The Teachers' Pension Budgeting and Valuation Account**

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

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

##### **Valuation of the Teachers' Pension Scheme**

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

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



# AVANTI SCHOOLS TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 21 Pensions and similar obligations

##### Scheme changes

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

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

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

##### Local Government Pension Scheme

The LGPS is a funded defined-benefit pension scheme, with the assets held in separate trustee-administered funds.

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.

The agreed contribution rates for future years are 13.8% to 19.9% for employers and 5.5% to 12.5% for employees.

	2019 £000	2018 £000
Employer's contributions	427	400
Employees' contributions	156	138
	<hr/>	<hr/>
Total contributions	583	538
	<hr/>	<hr/>

# AVANTI SCHOOLS TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 21 Pensions and similar obligations

#### Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	2.7	2.7
Rate of increase for pensions in payment	2.3	2.3
Discount rate for scheme liabilities	1.9	2.8
Inflation assumption (CPI)	2.3	2.4
Commutation of pensions to lump sums	50 to 75	50 to 75

Scheme liabilities would have been affected by changes in assumptions as follows:

	2019 £000	2018 £000
Discount rate - 0.5%	1012	596
Mortality rate + 1 year	231	140
CPI rate + 0.5%	947	551
Salary rate + 0.5%	53	42

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

	2019 Years	2018 Years
Retiring today		
- Males	21.5	22.2
- Females	23.8	24.4
Retiring in 20 years		
- Males	22.8	24.0
- Females	25.4	26.3

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	2019 Fair value £000	2018 Fair value £000
Equities	2,581	2,016
Bonds	646	431
Cash	21	30
Property	260	222
Total market value of assets	3,508	2,699
Present value of scheme liabilities - funded	(5,773)	(3,502)
Net pension asset / (liability)	(2,265)	(803)

# AVANTI SCHOOLS TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 21 Pensions and similar obligations

#### Operating costs and income recognised in the statement of financial activities

	2019 £000	2018 £000
<b>Financial expenditure/(income)</b>		
Expected return on pension scheme assets	(84)	(60)
Interest on pension liabilities	110	85
	<u>26</u>	<u>25</u>
<b>Other expenditure/(income)</b>		
Current service cost	751	818
Past service cost	28	-
	<u>779</u>	<u>818</u>
<b>Total operating charge/(income)</b>	<u>805</u>	<u>843</u>

#### Actuarial gains and losses recognised in the statement of financial activities

	2019 £000	2018 £000
Actuarial (gains)/losses on assets: actual return less expected	(153)	(60)
Experience (gains)/losses on liabilities	-	-
(Gains)/losses arising from changes in assumptions	1,237	(472)
	<u>1,084</u>	<u>(532)</u>
<b>Total (gains)/losses</b>	<u>1,084</u>	<u>(532)</u>
Cumulative (gains)/losses to date	<u>742</u>	<u>(342)</u>

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

	2019 £000	2018 £000
Opening defined benefit obligations	(3,502)	(2,949)
Current service cost	(751)	(818)
Interest cost	(110)	(85)
Contributions by employees	(156)	(138)
Actuarial gains/(losses)	(1,237)	472
Benefits paid	11	16
Past service cost	(28)	-
	<u>(5,773)</u>	<u>(3,502)</u>

# AVANTI SCHOOLS TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 21 Pensions and similar obligations

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

	2019 £000	2018 £000
Opening fair value of scheme assets	2,699	2,057
Expected return on assets	84	60
Actuarial gains/(losses)	153	60
Contributions by employers	427	400
Contributions by employees	156	138
Benefits paid	(11)	(16)
	<u>3,508</u>	<u>2,699</u>

#### History of experience gains and losses:

	2019 £000	2018 £000
Present value of defined benefit obligations	(5,773)	(3,502)
Fair value of share of scheme assets	<u>3,508</u>	<u>2,699</u>
Surplus / (deficit)	<u>(2,265)</u>	<u>(803)</u>
Experience adjustment on scheme liabilities	(1,237)	472
Experience adjustment on scheme assets	<u>153</u>	<u>60</u>

### 22 Analysis of net assets between funds

Group	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2019 £000
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	-	-	50,367	50,367
Current assets	994	5,193	-	6,187
Creditors falling due within one year	-	(2,848)	(419)	(3,267)
Defined benefit pension liability	-	(2,265)	-	(2,265)
	<u>994</u>	<u>80</u>	<u>49,948</u>	<u>51,022</u>

# AVANTI SCHOOLS TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 22 Analysis of net assets between funds

Group	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2018 £000
Previous year as re-stated				
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	50,095	50,095
Current assets	827	4,872	-	5,699
Creditors falling due within one year	-	(2,942)	(491)	(3,433)
Defined benefit pension liability	-	(803)	-	(803)
	<u>827</u>	<u>1,127</u>	<u>49,604</u>	<u>51,558</u>

### Analysis of net assets between funds Company

	Unrestricted Funds £000	Restricted funds General £000	Fixed asset £000	Total 2019 £000
Fund balances at 31 August 2019 are Represented by:				
Tangible fixed assets	-	-	50,364	50,364
Current assets	994	4,975	-	5,969
Creditors falling due within one year	-	(2,687)	(419)	(3,106)
Defined benefit pension liability	-	(2,265)	-	(2,265)
	<u>994</u>	<u>23</u>	<u>49,945</u>	<u>50,962</u>

### Company

	Unrestricted Funds £000	Restricted funds General £000	Fixed asset £000	Total 2018 £000
Previous year – as re-stated				
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	50,090	50,090
Current assets	827	4,648	-	5,475
Creditors falling due within one year	-	(2,902)	(491)	(3,393)
Defined benefit pension liability	-	(803)	-	(803)
	<u>827</u>	<u>943</u>	<u>49,599</u>	<u>51,369</u>

# AVANTI SCHOOLS TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 23 Reconciliation of net income to net cash flows from operating activities

Group	2019 £000	2018 £000
Net income for the reporting period	548	16,762
Adjusted for:		
Capital grants from DfE and other capital income	(1,773)	(17,678)
Investment income receivable	(3)	(3)
Defined benefit pension costs less contributions payable	352	418
Defined benefit pension net finance cost	26	25
Depreciation of tangible fixed assets	1,037	1,075
Loss on disposal of fixed assets	-	7
Decrease in stocks	4	1
Increase in debtors	(119)	3,203
(Decrease) in creditors	(166)	(4,557)
<b>Net cash used in operating activities</b>	<b>(94)</b>	<b>(747)</b>

### 24 Contingent liabilities

#### Group and company

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy Trust is required either to re-invest the proceeds or to repay to the Secretary of State for Children, Schools and Families the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy Trust serving notice, the Academy Trust shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy Trust's sites and premises and other assets held for the purpose of the Academy Trust; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

### 25 Commitments under operating leases

#### Group and Company

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

	2019 £000	2018 £000
Amounts due within one year	450	450
Amounts due in two and five years	1,188	1,363
Amounts due after five years	4,400	4,675
	<b>6,038</b>	<b>6,488</b>

# AVANTI SCHOOLS TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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**26 Capital commitments**  
**Group and Company**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Expenditure contracted for but not provided in the financial statements	<u>85</u>	<u>1,287</u>

**27 Related party transactions**  
**Group and Company**

Owing to the nature of the Academy Trust's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust and/or its Directors have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the requirements of the AFH and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The Academy Trust has taken advantage of the exemption available in Financial Reporting Standard 102 Section 33 and not disclosed transactions with group entities within these financial statements.

**28 Members' liability**  
**Group and Company**

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.