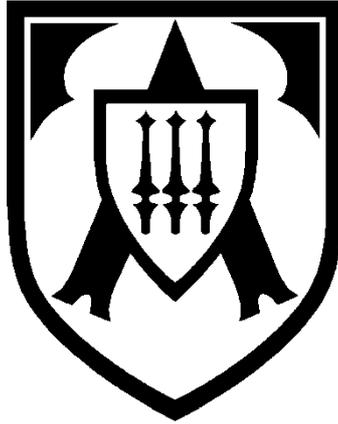


Company number 07517121 (England and Wales)



Amherst School (Academy) Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements
For the year ended
31 August 2018

AMHERST SCHOOL (ACADEMY) TRUST

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AMHERST SCHOOL (ACADEMY) TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	David Hale Emily Grier Andrew Reid Vivienne Rose Christopher Thornton	
Trustees	David Hale* Emily Grier* Susan Arnold Martin Booth Sebastien Coquelin Jennifer Diprose* Judith Geldard Matthew Hebden* Patricia Jones Joanna Mais Philippa Porter Andrew Reid* Vivienne Rose* Joanne Sims Carolyn Swain Christopher Thornton Joanne Warne	Chair Vice Chair Staff Trustee Resigned 12/07/18 Staff Trustee Headteacher Staff trustee; appointed 28/11/17 Staff Trustee; resigned 02/10/17

* Members of the Finance and Buildings Committee

Company Secretary and
Clerk to the Board of Trustees

Katherine Baillache

Senior Management Team:
Head Teacher and Accounting Officer Andrew Reid
Assistant Head Teacher Patricia Jones
Business Manager Joanne Sims

Company Name Amherst School (Academy) Trust

Principal and Registered Office Witches Lane
Sevenoaks
Kent TN13 2AX

Company Registration Number 07517121 (England and Wales)

AMHERST SCHOOL (ACADEMY) TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent Auditor	Lindeyer Francis Ferguson Limited Chartered Accountants North House 198 High Street Tonbridge Kent TN9 1BE
Bankers	Barclays Bank plc 80 High Street Sevenoaks Kent TN13 1LR
Solicitors	Brachers LLP Sommerfield House 59 London Road Maidstone Kent ME16 8JH

AMHERST SCHOOL (ACADEMY) TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year from 1 September 2017 to 31 August 2018. This annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust was established in 2011 under the Multi Academy Trust set of governing documents. The academy trust operates a single school for pupils aged 7 to 11 serving a catchment area in Sevenoaks, Kent. It has a pupil capacity of 384 and had a roll of 384 in the school census in May 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The trustees of Amherst School (Academy) Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Amherst School.

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

Members' Liability

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

Trustees' Indemnities

There are no third-party indemnity provisions to disclose.

Method of Recruitment and Appointment or Election of Trustees

All trustees are directors of the Academy and vice versa.

The members of the Academy are listed in the Reference and Administrative Information on page 1. All current members of the Academy are also Trustees, all appointed in accordance with the following provisions.

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

- | | |
|---|---|
| · up to 20 trustees, appointed by the Members under Article 50; | Currently seven trustees in this category, including three Members. |
|---|---|

AMHERST SCHOOL (ACADEMY) TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

- | | |
|---|--|
| · any elected Staff Trustees, if appointed under Article 50A; | As at reference date, three elected Staff Trustees. |
| · any Academy Trustees, if appointed under Article 51 or Article 52; | Currently no trustees in this category. |
| · the Headteacher | The Headteacher is currently a Member in any case. |
| · a minimum of two elected Parent Trustees appointed under Articles 53-56; | Currently four elected Parent Trustees, one of whom is now a Member. |
| · any Additional Trustees, if appointed under Article 61, 61A or 67A; | Currently no trustees in this category. |
| · any Further Trustees, if appointed under Article 62 or Article 67A; | Currently no trustees in this category. |
| · Additional Trustees, if appointed by the Secretary of State in accordance with the terms of any of the Relevant Funding Agreements following the provision of a notice by the Company to terminate that Relevant Funding Agreement. | Currently no trustees in this category. |

Every trustee, including all Members except the Headteacher, is nominated or elected to a trustee post or vacancy and has a designated four-year term in office. The Headteacher is a trustee until they vacate the post of Headteacher.

In the event that there is more than one candidate nominated for a vacant elected Staff or Parent Trustee post, an election is held and the successful candidate is the person to receive the most votes. At the end of a trustee's term, if eligible, they may stand for re-election and, if re-elected, sit for a further term, as appropriate.

Policies and Procedures Adopted for the Induction and Training of Trustees

A link trustee is appointed to co-ordinate attendance at trustee training sessions. Trustees are provided with details of the Kent Governors CPD Online website operated by Kent County Council. They are also encouraged to attend the induction and ongoing training courses that are provided by Kent County Council.

From their date of appointment, new trustees participate in meetings of the Board of Trustees. They may be invited to participate as a member of one of the sub-committees, depending on their areas of interest, expertise, time available and committee requirements. Trustees may also assume individual roles, for example for statutory responsibilities or other functions deemed appropriate by the Full Governing Body (such as year group governor, or subject governor).

Trustees are encouraged to visit Amherst outside of committee meetings to meet staff and to become familiar with the school.

Organisational Structure

The Headteacher is responsible for the day-to-day running of the school and is also the Academy's Accounting Officer.

AMHERST SCHOOL (ACADEMY) TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

The Governing Body of Amherst School is responsible for three core strategic functions:

1. Ensuring clarity of vision, ethos and strategic direction;
2. Holding the Headteacher to account for the educational performance of the school and its pupils; and
3. Overseeing the financial performance of the school and making sure that its money is well spent.

The Governing Body has adopted the committee model of governance. The Full Governing Body meets three times per year, once per seasonal term in the second half of the term. The following sub-committees generally meet three times per year, once per seasonal term in the first half of the term:

- Teaching & Learning Committee
- Staff & Pupil Welfare Committee
- Finance & Buildings Committee (this committee also has a fourth meeting each year in Term 6 (June / July) to consider the budget plans for the following three year period)

There is also the Pay & Performance Committee whose purpose and procedures are described in the next section.

The Academy Trust holds its Annual General Meeting each June. The AGM being a relatively short meeting is traditionally followed by a meeting of the Full Governing Body with an agenda focused on strategic matters and training.

The Chair, Vice Chair and Headteacher meet fortnightly during term time to discuss and manage strategic and significant operational matters.

Arrangements for setting pay and remuneration of key management personnel

The salaries of the Headteacher and other members of the Senior Management Team are set in accordance with the school's Pay and Reward Policy.

The Headteacher's Performance Management takes place annually during Term 2 (November / December) and is carried out by a panel of two experienced governors in conjunction with an external advisor. Depending on the outcome of the performance management, the panel may propose that the Headteacher's salary is increased.

The Assistant Headteacher's Performance Management takes place in October each year and is conducted by the Headteacher. It examines the previous year's targets and objectives for the coming year, together with classroom observations. Pay falls within a range which is determined by the school's ISR and is set in line with the national Teachers' Pay Leadership Scale (Fringe) and is effective from 1 September each year.

The Performance Management for other teaching staff who are members of the Senior Management Team, takes place in October and is conducted by the Headteacher. Pay is set in accordance with the national Main Pay Scale (Fringe) and Upper Pay Scale (Fringe) and is effective from 1 September each year.

The Pay & Performance Committee is convened to consider and decide upon any pay proposal arising from the Headteacher's performance management as well as recommendations from the Headteacher for adjustments in teaching staff pay over and above the natural annual progression along the Main and Upper Pay Scales.

The Business Manager's Performance Management takes place in March each year and is conducted by the Headteacher. It examines the previous year's targets and objectives for the coming year. Pay is set in accordance with the Kent Scheme pay scales, together with percentage increments which are determined by Kent County Council, in line with performance ratings. Remuneration is recommended by the Headteacher, decided by the Pay & Performance Committee and is effective from 1 April each year.

AMHERST SCHOOL (ACADEMY) TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, from time to time transactions may take place with organisations in which a member of the Board of Trustees has an interest.

Each trustee is required to declare their business interests to ensure no conflict of interest. This is recorded by the Clerk and updates are requested at each meeting of the Board of Trustees.

All transactions between the school and an organisation in which a trustee has disclosed a business interest are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

Related party transactions are disclosed in the Notes to the Financial Statements.

Amherst School has connections to the following:

- Amherst School Fund, a registered charity established on 4 November 2012 with Charity Number 1095639;
- Amherst School P T A, a registered charity established on 15 October 1990 with Charity Number 1002301; and
- Sevenoaks Schools Partnership, a consortium (currently without its own legal entity structure) of [27] primary schools in the Sevenoaks area. Amherst School is one of the schools that contributes to and benefits from the partnership

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object of Amherst School is to provide education for pupils between the ages of 7 and 11 by establishing, maintaining, carrying on, managing and developing the Academy and offering a broad and balanced curriculum.

Amherst School aims to improve the academic achievement of its students at all levels while ensuring that students are well prepared for their transition to secondary school.

Amherst's purpose is to inspire every pupil to:

- Be their best;
- Develop individual talents and passions;
- Explore, innovate, enjoy and excel inside and outside the classroom;
- Make a positive contribution for themselves, family, friends, school, community and the wider world; and
- Be healthy and stay safe.

Amherst is a caring, nurturing environment to enable every pupil to develop into a rounded, confident individual, well prepared for secondary education and beyond. We foster excellent relationships with Riverhead Infants' School (our feeder school) and local secondary schools.

Amherst is an environment where children are able to fulfil their potential in all areas. All members of the school are given clear guidelines on what is right and what is wrong, and what is and what is not acceptable behaviour.

Children are able to regard the school as a place where there is a caring atmosphere and where they are safe. Should they have anxieties over work, relationships with peers or other concerns, they should feel that they are able to approach a member of staff to express their concerns.

AMHERST SCHOOL (ACADEMY) TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

At Amherst, we have six values and six simple school rules attached to each value:

Trust	We act responsibly and honestly to earn the trust of each other at Amherst
Kindness	We treat everybody and everything with care and respect at Amherst
Determination	We work hard to do our best even when things are difficult
Politeness	We are well-mannered and courteous towards everyone at Amherst
Fairness	We treat everyone as our equal(s) at Amherst School
Co-operation	We all work together to include each other as a team at Amherst

Assemblies and class discussions are themed where appropriate to teach and reinforce our values and rules. Good behaviour receives positive reinforcement through House Points, verbal praise, Headteacher Awards and Star of the Week (celebrated in Friday's Achievement Assembly).

We also use a Buddy System which includes each Year 6 child paired with a Year 3 child. This system helps promote the Year 6 children as role models and provides them with additional opportunities to practise the school values and rules.

Aspects which contribute towards a good atmosphere at Amherst include:

- mutual respect for adults, children, the school and the property of others;
- the requirement to wear school uniform as laid down in the School Prospectus;
- presentation of work;
- quality of display;
- general tidiness of the classroom and school generally;
- code of behaviour in assembly;
- code of behaviour at lunchtime;
- staff dress code; and
- commitment of staff and children to extra-curricular activities.

Objectives, Strategies and Activities

Amherst recognises that every child is a unique individual and provides class, small group and individualised teaching to encourage all pupils to fulfil their academic potential. Pupils are also given opportunities beyond the curriculum in creative arts, sport, hobbies, drama and music to allow them to experience success and to discover their passions and strengths.

We see that children are the future and that it is our responsibility to assist them to develop life skills to play their part in caring for people, our communities and the planet. Beyond the school gates, Amherst strives to create opportunities for pupils to work with local and global charities and causes, involving them in a variety of activities. Pupils are also encouraged to join external clubs and organisations to further their participation and development in specific talents and passions e.g. sport, music, drama.

AMHERST SCHOOL (ACADEMY) TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

Amherst aims to fulfil this vision by:

- Hiring, developing and retaining exceptional teachers and school leaders;
- Preserving and building on its Ofsted Overall Effectiveness grading via continuous improvement in target areas:
 - Pupil attainment and progress;
 - Quality of teaching;
 - Quality of leadership and management; and
 - Behaviour and safety of pupils.
- Leveraging the benefits of academy status while conducting business in accordance with the highest standards of integrity, probity and openness;
- Providing support to and receiving support from other schools in the Sevenoaks Schools' Partnership;
- Ensuring that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- Improving the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review while complying with all appropriate statutory and curriculum requirements;
- Providing best value for money for the funds expended; and
- Maintaining close links with local community groups and businesses.

Amherst has developed collaborative activities with other district schools (The Sevenoaks Schools' Partnership). Using the wealth of talent within its own staff, Amherst offers experience and career development opportunities in relation to areas including creative curriculum, sport skills, and support for Special Educational Needs.

Public Benefit

In planning the Amherst School's activities, the trustees have had due regard to the guidance on public benefit published by the Charity Commission.

STRATEGIC REPORT

Achievements and Performance

Amherst is in its eighth year of operation as an Academy and continues to achieve the numbers of students as forecast prior to conversion to Academy status. Total students as at 31 August 2018 numbered 384 and the Academy has a full complement in all year groups. Amherst remains oversubscribed with a waiting list.

Key performance indicators

As funding is based on pupil numbers, a key performance indicator is that the Academy is consistently oversubscribed, with a waiting list. Additionally, the Academy uses a number of financial key performance indicators to monitor the financial success of the Trust. Staff costs equated to 75% (2017: 82.9%) of total income which is within the 60-85% range that the ESFA is currently working towards.

AMHERST SCHOOL (ACADEMY) TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

School Effectiveness

Ofsted most recently inspected Amherst on 26-27 February 2015. The Headteacher and Trustees were pleased with the Overall Effectiveness grading of Good. The full set of grades was as follows:

Leadership & Management	Outstanding
Behaviour & Safety of Pupils	Outstanding
Quality of Teaching	Good
Achievement of Pupils	Good
Overall Effectiveness	Good

The detailed final report acknowledged the many strengths of Amherst while providing clarity on how we can improve further.

The trustees appreciate the amazing drive and skills of Amherst's team of teachers and teaching assistants, all dedicated to enabling the children to learn, fulfil their potential and excel. The Headteacher monitors the standard of teaching throughout the school by a series of classroom observations and performance management, to ensure that teaching is consistently good or outstanding.

We are also very proud of both the outstanding Amherst curriculum and the extensive range of over 40 extra-curricular clubs and activities offered to pupils.

The leadership and management of our Headteacher, Mr Andrew Reid, has inspired improvements both in teaching and in assessing the progress of every pupil throughout their time at Amherst. Amherst is very fortunate to have recruited such a talented Headteacher as Mr Reid in 2013 to lead the school and his passion, energy and commitment are shared by the staff and governors.

We value highly our Assistant Headteacher, Miss Jones, whose exceptional skill, commitment and support throughout the many changes that have occurred since 2013 have helped to preserve the overall ethos of Amherst.

Furthermore, we appreciate the Year Group Leaders and our School Business Manager for their excellent and valued contribution.

The Headteacher and Governing Body maintain the School Self-Evaluation which records achievements and metrics and documents our own assessment of the performance of Amherst as a school and its pupils. The current self-assessment is that Amherst is even more effective now than at the time of the most recent Ofsted inspection in February 2015. Trustees are confident that the determination of the entire team at Amherst to continue to improve and achieve excellence in all areas will position Amherst well for the next inspection due in 2018/19.

The Governing Body also recognises the exceptional contributions made by parents in so many areas. They make such a positive difference and we are very grateful.

Student attendance for the period ending 31 August 2018 was 97.37% (2017: 97.6%).

AMHERST SCHOOL (ACADEMY) TRUST

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

Key Stage 2 SATS Results

In May 2018 children in Year 6 sat the Key Stage 2 National Standard Assessment Tests (SATs) in English and Mathematics. This year's results are set out below.

The children achieved well resulting in being above national data for attainment in all areas. A particular strength is the number of children who achieved a Higher Score. An area of focus has always been the children's progress from KS1 to KS2.

This year we are above the national average (top 20% of schools) for progress in Maths. We are equal to the national average (60% of schools nationally) for progress in writing and reading. Overall, we are very pleased with the results which reflect the high-quality teaching learning the children have received.

Subject		Amherst School	National Average
Combined Reading, Writing & Maths %	Expected Standard	86	64
	Higher Standard	21	10
Reading %	Expected Standard	92	75
	Higher Standard	51	28
Writing %	Expected Standard	91	78
	Higher Standard	31	20
Grammar, Punctuation & Spelling %	Expected Standard	93	78
	Higher Standard	50	34
Mathematics %	Expected Standard	93	76
	Higher Standard	54	24
Reading average scaled score		110	105
GPS average scaled score		109	106
Mathematics average scaled score		109	104
Reading progress score (confidence interval)		1.1 (-0.1 to 2.3)	
Writing progress score (confidence interval)		-0.7 (-1.9 to 0.5)	
Mathematics progress score (confidence interval)		1.7 (0.6 to 2.8)	

Going Concern

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

AMHERST SCHOOL (ACADEMY) TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

FINANCIAL REVIEW

Financial performance

Most of the Academy's income is obtained from the Department for Education via the Education & Skills Funding Agency (ESFA) in the form of recurrent grants, the use 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 recurrent ESFA and Local Authority grant income (including capital grants) for the 12-month period totalled £1,540,798 (2017: £1,404,317). Other recurrent income totalled £298,176 (2017: £249,137) of which £289,299 (2017: £224,974) was unrestricted and comprised principally catering income and contributions towards school trips. Total incoming resources were therefore £1,838,974 (2017: £1,653,454).

Resources expended for the year totalled £1,850,242 (2017: £1,840,782). This figure includes non-cash expenses of £121,908 (2017: £117,324) in depreciation.

After other recognised gains and losses, there was a surplus of net current assets (excluding pension scheme liability) of £59,470 (2017: £35,338) which is made up of £24,857 (2017: £25,984) on the general fund and £34,613 (2017: £9,354) restricted funds. This total figure is akin to a carried forward surplus in retained earnings.

Total funds were in surplus at 31 August 2018 by £2,483,104 (2017: £2,322,372) which comprises the value of the Academy's fixed asset fund of £3,099,773 (2017: £3,022,922) plus restricted and unrestricted funds totalling £32,331 (2017: £29,450) less the liability in respect of the Local Government Pension Scheme of £649,000 (2017: £730,000). Free unrestricted reserves at 31 August 2018 were £24,857 (2017: £25,984). Restricted reserves at 31 August 2018 were £7,474 (2017: £3,466).

Policy on reserves

The trustees review the levels of free cash reserves of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the free cash reserves. The trustees have determined that the appropriate minimum level of free reserves should be equivalent to three months' operational expenditure (excluding staff costs), approximately £25,000 (approximately 2% of the General Annual Grant). The reason for this is to provide sufficient working capital to cover extraordinary delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The school's free reserves total £24,857 at 31 August 2018 (2017: £25,984). The level of reserves is in line with last year's reserves as there has been no unexpected expenditure. Unrestricted income is expected to increase next year due to greater capacity within the now fully established breakfast and after school clubs. Any increased reserves as a result of this additional income will be used to support expected increased staff pension costs. It is the school's policy to use its funding for the education and staffing for current pupils and not to build reserves without purpose.

Investment Policy

At the present time the academy has no significant cash balance to invest. Free cash reserves are held in an accessible account at Barclays Bank, Sevenoaks.

AMHERST SCHOOL (ACADEMY) TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

Principal Risks and Uncertainties

The Board of Trustees has delegated to the Headteacher as Accounting Officer the day-to-day responsibility for ensuring that financial controls conform to the requirements of both propriety and good financial management. The Headteacher as Accounting Officer is also responsible for compliance with the requirements and responsibilities assigned in the funding agreement between Amherst School (Academy) Trust and the Secretary of State for Education.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Amherst School (Academy) Trust for the reporting period ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

The Board of Trustees reviews and updates the key risks to which the Academy Trust is exposed, at each subcommittee meeting and Full Governing Body meeting. These are recorded on the school's Key Risk Register together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The trustees have assessed the major risks to which the Academy is exposed, in particular those relating to teaching, the provision of facilities, other operational areas of the Academy, and its finances. Systems and policies have been implemented to assess risks that the school faces in operational areas (e.g. teaching, health and safety) and in relation to the control of finance, and these are recorded on the Academy's Key Risk Register which is reviewed and updated on an annual basis or more regularly where required. Procedures are in place for the safeguarding of children e.g. safe recruitment, the vetting of visitors to the school and the supervision of the school grounds. The Academy has ensured it has adequate insurance cover and has procedures in place for business continuity. The Academy has an effective system of internal financial controls which have been assessed in accordance with the Risk Register in the Academies Accounts Direction and the Financial Management and Governance Evaluation.

The trustees maintain a register of the risks that could detrimentally impact the academy. Key concerns relate to expected increases in employers' pension contributions to both the Teachers' Pension scheme and the Local Government Pension Scheme for support staff. The academy deficit relating to the Local Government Pension Scheme has decreased during the year ending 31 August 2018 by £81,000 to £649,000. The Department for Education (DfE) has set out details of a guarantee that any outstanding LGPS liabilities on academy closure will be met by the DfE. This means that any deficit owing to the LGPS at that time will be first met by the Academy's available assets and otherwise met by the DfE.

In addition, the condition of the school's windows, doors and fire doors gave cause for concern after one door failed to open during a fire drill and one window fell from its frame when being opened. An application for a Capital Improvement Fund (CIF) Grant to replace the doors and windows was submitted in 2017/18, and was successful. The majority of window and doors throughout the school have now been replaced.

AMHERST SCHOOL (ACADEMY) TRUST

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

Current principal risks summary:

Risk	Risk Management
Further increases in employers' pensions and NI contributions resulting in reduction in available funds for school resources.	Staffing costs and budget carefully reviewed each year to assess impact of salary on costs. Introduction of Breakfast Club in January 2017 and After School Club in June 2017 to increase revenue income to support reduction in available funds.
Uncertainty relating to the LGPS pension deficit.	The government guarantees that in the event of Academy closure, any outstanding LGPS liabilities would be met by the DfE.
Serious accident or incident caused by windows and doors and fire doors in disrepair.	Condition of windows and doors inspected regularly. Repairs carried out where possible or units 'disabled' and made safe to prevent injury.

Fundraising

Amherst School is a Converter Academy, funded by the General Annual Grant received directly from the Department for Education plus further income from Pupil Premium, Primary School PE Funding and Higher Needs Funding.

In 2017/18, the total grant and other income that Amherst received from the DfE was £3,234 per pupil. As far as we can ascertain, this places Amherst as the lowest funded per capita state primary school in the entire county of Kent. In 2017/18, this level of income was insufficient to cover the costs of running Amherst with the staff that the Headteacher and Trustees agree are needed to provide and maintain the standards of teaching, site environment and co-curricular opportunities for our pupils. Furthermore, Higher Needs Funding received from the Kent local authority was materially lower than the corresponding costs incurred by Amherst to support pupils with those needs.

The Trustees have explored, and continue to explore, opportunities for Amherst to generate the additional income needed to supplement the amounts received from the DfE and Higher Needs Funding. 2017/18 was the first complete academic year when we operated our Breakfast Club and After School Club and the net income generated has proven critical to balancing the budget.

The Academy also benefits from funds raised by Amherst School Fund and Amherst School P T A, two charities wholly affiliated to Amherst. The school fund receives periodic and ad hoc donations from parents and other sources with links to Amherst. The PTA raises funds for specific purchases via an extensive programme of social events and fundraising activities.

AMHERST SCHOOL (ACADEMY) TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

In Memorium

The Amherst community was deeply saddened to lose two treasured and long-serving members of staff during 2017/18.

On 26 October 2017, Mrs Carol Vowles, who had worked in our school kitchen for fifteen years, passed away following a short illness.

On 25 April 2018, Mrs Rosemary Clifton, who had worked at Amherst for 23 years as a teaching assistant and later in the school office and as a governor, passed away. Rose had been absent from school since February due to illness.

We miss Carol and Rose very much and remember fondly their presence, personalities and dedicated contributions to Amherst and our current and former pupils.

PLANS FOR FUTURE PERIODS

2018-19 SIP objectives

The 3 areas for whole school development are:

- To continue to embed and improve the delivery and impact of whole school values based on PSHE curriculum
- To create an outdoor play/learning area that enhances the children's experience and playtime and lunchtime.
- To ensure consistent approach to delivering whole class inputs that enable all children to be actively engaged and participating

Funds Held as Custodian Trustee on Behalf of Others

The Academy holds no funds on behalf of others.

Auditor

In so far as the trustees are aware:

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

This Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 15 November 2018 and signed on their behalf by:

David J Hale
Chair of Trustees

AMHERST SCHOOL (ACADEMY) TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Amherst School (Academy) Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met four times during the year, being three "regular" Full Governing Body Meetings (one per seasonal term) plus a dedicated strategy meeting that follows the company's annual general meeting. Attendance during the year at regular meetings of the Board of Trustees was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Susan Arnold	3	3
Martin Booth	3	3
Sebastien Coquelin	0	3
Jennifer Diprose	3	3
Judith Geldard	3	3
Emily Grier	3	3
David Hale (Chair)	3	3
Matthew Hebden (resigned 07/18)	1	2
Patricia Jones	3	3
Joanna Mais	2	3
Philippa Porter	3	3
Andrew Reid (Headteacher)	3	3
Vivienne Rose	3	3
Jo Sims (appointed 11/17)	2	3
Carolyn Swain	3	3
Kit Thornton	2	3
Joanna Warne (Resigned 10/17)	0	0

As discussed earlier in this report, the Board has established sub-committees which are vehicles for the Board to carry out effectively its responsibilities and duties. Furthermore, individual trustees (predominantly non-staff trustees) have responsibilities for specific statutory and non-statutory matters. For example, there are four Year Group Governors who visit the school during the year to review in-year attainment and progress data, liaise with teaching staff, meet pupils, attend lessons and see the pupils' written work. The Year Group Governor roles have been established for several years now and are an effective way for the Board to understand closely the challenges faced in the classroom and how staff and pupils work together to address those challenges.

AMHERST SCHOOL (ACADEMY) TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018

There are also individual governors with coverage responsibilities for the curriculum subjects. While the coverage of Numeracy and Literacy is regular and effective, the Board recognises that the Subject Governor roles for most other subjects is less regular and less effective.

Other periodic reporting received by the Board includes the Headteacher's Report for each of the three regular Full Governing Body meetings, and reports and management accounts provided by the School Business Manager for the Finance & Buildings Committee. In light of the fact that the company's retained surplus has been diminishing over the last three years and the continuing under-funding of education by the UK Government, the Headteacher, School Business Manager and this committee have now adopted a monthly cycle of financial reporting.

The Finance and Buildings Committee is formed of members of the full Board of Trustees. Its purpose is, in partnership with the Headteacher and giving regard to the School Development Plan and OFSTED Action Plan, to set the annual budget by expenditure headings and approve on behalf of the Full Board of Trustees, ensuring that there is an explicit link between expenditure and the raising of standards.

Attendance at meetings of the Finance and Buildings Committee in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Vivienne Rose (Chair)	5	5
Jennifer Diprose	4	5
Emily Grier	5	5
David Hale	4	5
Matt Hebden (resigned 07/18)	2	5
Andrew Reid	5	5
Jo Sims	5	5

Governance Review

The Board of Trustees is mindful of its skills base and the structure of sub-committees and meetings. The annual skills audit was carried out during 2017/18. There were two new Elected Staff Trustees appointed in 2017/18, including one experienced and valued governor who was previously a Member Appointed Governor.

Separate from the skills audit, a self-review exercise was commenced towards the end of 2017/18 to review the impact and effectiveness of the Board's governance work. This Board intends to complete this self-review by 31 December 2018 and, where relevant, develop an action plan to increase effectiveness. The next review will be in Autumn 2019.

Review of Value for Money

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

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

The accounting officer for the academy trust has delivered improved value for money during the year by:

- Hiring, developing and retaining exceptional teachers and school leaders;
- Building on continuous improvement in target areas:
 - Pupil attainment and progress;
 - Quality of teaching;
 - Quality of leadership and management; and
 - Behaviour and safety of pupils.
- Leveraging the benefits of academy status while conducting business in accordance with the highest standards of integrity, probity and openness;
- Ensuring that every child enjoys the same high-quality education in terms of resourcing, tuition and care;
- Improving the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review while complying with all appropriate statutory and curriculum requirements;
- Maintaining close links with local community groups and businesses;
- Reviewing the annual budget for the academic year, assessing the implications of funding levels and ensuring that services and contracts have been negotiated to achieve Best Value and are fit for purpose;
- Regular monitoring of income and expenditure particularly with regard to the School Improvement Plan ensuring there is an explicit link between expenditure and the raising of standards, with specific focus on the use of Pupil Premium funding;
- Developing collaborative activities with other district schools (The Sevenoaks Schools' Partnership). Using the wealth of talent within its own staff, Amherst offers experience and career development opportunities in relation to areas including creative curriculum, sport skills, and support for Special Educational Needs;
- Exploring additional funding streams to increase income;
- Regular review of the School Risk Register and to assess or identify any risks that may impact the academy; and
- Regular review in order to be satisfied with the school's Health and Safety procedures; reviewing the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Amherst School for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

AMHERST SCHOOL (ACADEMY) TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees and the identification of key risks is an item on each committee agenda.

The Risk and Control Framework

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

In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Buildings 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; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Lindeyer Francis Ferguson Limited, the external auditor, to perform additional agreed-upon procedures. In particular, the checks carried out in the current period included:

- Systems walkthroughs and substantive sampling to ensure expected controls in place for:
 - DfE and other grant income, lettings income and catering income
 - Payroll systems
 - Purchase and procurement systems
- Review of control accounts and bank reconciliations
- Meeting minute review and financial return review

The agreed-upon procedures involve performing a range of checks on the academy trust's financial systems as directed by the Board of Trustees. The auditor makes two separate one-day visits during each financial year and reports to the Board the results of the checks carried out. The auditor has visited the school in February 2018 and July 2018 to perform an internal controls evaluation and reported no material control issues.

AMHERST SCHOOL (ACADEMY) TRUST

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

Review of Effectiveness

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

- the results of agreed-upon procedures internal controls evaluation visits;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 15 November 2018 and signed on its behalf by:

David Hale
Trustee

Andrew Reid
Accounting Officer

AMHERST SCHOOL (ACADEMY) TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2018

As Accounting Officer of Amherst School (Academy) Trust I have considered my responsibility to notify the academy trust's Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with the ESFA terms and conditions of funding, 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.

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

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

Andrew Reid
Accounting Officer

Date: 15 November 2018

AMHERST SCHOOL (ACADEMY) TRUST

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 15 November 2018 and signed on its behalf by:

David Hale
Trustee

AMHERST SCHOOL (ACADEMY) TRUST

INDEPENDENT AUDITORS REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES AMHERST SCHOOL (ACADEMY) TRUST FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the financial statements of Amherst School (Academy) Trust (“the academy trust”) for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, 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), and the Annual Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency (ESFA).

In our opinion, the financial statements:

- give a true and fair view of the state of the academy trust’s affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2017/18 issued by the Education and Skills Funding Agency.

Basis of opinion

We have 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 academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustees’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. The trustees are responsible for the other information. 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.

AMHERST SCHOOL (ACADEMY) TRUST

INDEPENDENT AUDITORS REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES AMHERST SCHOOL (ACADEMY) TRUST FOR THE YEAR ENDED 31 AUGUST 2018

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on pages 21, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

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 the ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. The description forms part of our auditor's report.

Use of our report

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are

AMHERST SCHOOL (ACADEMY) TRUST

INDEPENDENT AUDITORS REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES AMHERST SCHOOL
(ACADEMY) TRUST
FOR THE YEAR ENDED 31 AUGUST 2018

required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Amy Healey FCA CTA DChA
Senior Statutory Auditor

For and on behalf of:
Lindeyer Francis Ferguson Limited
Statutory Auditors
North House
198 High Street
Tonbridge
Kent TN9 1BE

Date: 3 December 2018

AMHERST SCHOOL (ACADEMY) TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AMHERST SCHOOL (ACADEMY) TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 20 October 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies: Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Amherst School (Academy) Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Amherst School (Academy) Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Amherst School (Academy) Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Amherst School (Academy) Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Amherst School (Academy) Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Amherst School (Academy) Trust's funding agreement with the Secretary of State for Education dated 24 February 2011 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies: Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Gaining an understanding of the framework of authorities relevant to the Academy Trust;
- Enquiry of the Accounting Officer and the Senior Management Team and review of their oversight;
- Inspection and review of the latest Financial Management and Governance Evaluation;
- Extension of audit work on income and expenditure on a sample basis to cover regularity; and
- Review of specific areas identified by the ESFA as common irregularities.

AMHERST SCHOOL (ACADEMY) TRUST

INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO AMHERST SCHOOL (ACADEMY) TRUST AND
THE EDUCATION FUNDING AGENCY
FOR THE YEAR ENDED 31 AUGUST 2018

Conclusion

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

Lindeyer Francis Ferguson Limited
Chartered Accountants
North House
198 High Street
Tonbridge
Kent TN9 1BE

Date: 3 December 2018

AMHERST SCHOOL (ACADEMY) TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:						
Donations and capital grants	2	101,953	8,877	160,273	271,103	117,200
Charitable activities:						
Funding for the academy trust's educational operations	3	178,344	1,380,525	-	1,558,869	1,531,850
Other trading activities		9,002	-	-	9,002	4,404
Total		289,299	1,389,402	160,273	1,838,974	1,653,454
Expenditure on:						
Charitable activities:						
Academy trust's educational operations	4	209,170	1,519,164	121,908	1,850,242	1,840,782
Total		209,170	1,519,164	121,908	1,850,242	1,840,782
Net income / (expenditure)		80,129	(129,762)	38,365	(11,268)	(187,328)
Transfers between funds	12	(81,256)	42,770	38,486	-	-
Other recognised gains / (losses)						
Actuarial gains / (losses) on defined benefit pension schemes	12,16	-	172,000	-	172,000	299,000
Net movement in funds		(1,127)	85,008	76,851	160,732	111,672
Reconciliation of funds:						
Total funds brought forward at 1 September 2017		25,984	(726,534)	3,022,922	2,322,372	2,210,700
Total funds carried forward at 31 August 2018		24,857	(641,526)	3,099,773	2,483,104	2,322,372

AMHERST SCHOOL (ACADEMY) TRUST

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	9		3,072,634		3,017,034
Current assets					
Debtors	10	36,633		19,294	
Cash at bank and in hand		75,543		29,054	
		<u>112,176</u>		<u>48,348</u>	
Liabilities					
Creditors: amounts falling due within one year	11	(52,706)		(13,010)	
Net current assets			59,470		35,338
Net assets excluding pension liability			3,132,104		3,052,372
Defined benefit pension scheme liability	16	(649,000)		(730,000)	
Total net assets			<u>2,483,104</u>		<u>2,322,372</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	12		3,099,773		3,022,922
Restricted income fund	12		7,474		3,466
Pension reserve	12		(649,000)		(730,000)
Total restricted funds			<u>2,458,247</u>		<u>2,296,388</u>
Unrestricted funds					
General fund	12		24,857		25,984
Total unrestricted funds			<u>24,857</u>		<u>25,984</u>
Total funds			<u>2,483,104</u>		<u>2,322,372</u>

The financial statements were approved by the trustees and authorised for issue on 15 November 2018, and are signed on their behalf by:

David Hale
Chair

Company number: 07517121

AMHERST SCHOOL (ACADEMY) TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	A	63,725	(8,565)
Cash flows from investing activities			
Purchase of tangible fixed assets		(177,509)	(22,332)
Capital grants from DfE / ESFA		150,273	8,320
Capital funding received from sponsors and others		10,000	16,651
Net cash (used in) / provided by investing activities		(17,236)	2,639
Change in cash and cash equivalents in the reporting period	B	46,489	(5,926)
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2017		29,054	34,980
Cash and cash equivalents at 31 August 2018		75,543	29,054
A: Reconciliation of net expenditure to net cash flow from operating activities			
		2018 £	2017 £
Net expenditure for the reporting period (as per the SoFA)		(11,268)	(187,328)
Depreciation	9	121,909	117,324
Capital grants from DfE / ESFA and other capital income	2	(160,273)	(24,971)
Defined benefit pension scheme cost less contributions payable	16	73,000	80,000
Defined benefit pension scheme finance cost	16	18,000	19,000
(Increase) in debtors		(17,339)	(9,480)
Increase / (decrease) in creditors		39,696	(3,110)
Net cash provided by / (used in) operating activities		63,725	(8,565)
B: Analysis of cash and cash equivalents			
		<i>Cash at bank and in hand</i>	
		2018 £	2017 £
Cash in hand and at bank		75,543	29,054
		75,543	29,054

1 Statement of Accounting Policies

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

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 2017 to 2018 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in pounds sterling and rounded to the nearest pound.

Amherst School (Academy) Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going Concern

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

1.3 Company status

Amherst School (Academy) Trust is a charitable company limited by guarantee incorporated in England and Wales. The address of the registered office is Witches Lane, Sevenoaks, Kent, TN13 2AX. The members of the company are the trustees named on page 1. The charitable company is controlled by the trustees. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £10 per member.

1.4 Income

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

Grants

Grants are included in the Statement of Financial Activities when the academy trust has entitlement to the receipt, it is probable and can be reliably measured. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund. Capital grants are recognised on entitlement and are not deferred over the life of the assets on which they are expended.

Donations

Donations are recognised when the academy trust has entitlement to the receipt, it is probable and the amount can be reliably measured.

1 Statement of Accounting Policies (continued)

1.4 Income (continued)

Other income

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

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefits to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The academy trust has one activity, the cost of which is made up of the total of direct costs and support costs (including governance costs) involved in undertaking the activity.

All resources expended are inclusive of irrecoverable VAT.

1.6 Tangible Fixed Assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Long leasehold buildings - over 50 years

Windows and doors - over 10 years

Leasehold improvements - between 10 and 20 years

Fixtures, fittings and equipment - between 3 and 10 years

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.

1.7 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.

1.8 Provisions

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1 Statement of Accounting Policies (continued)

1.9 Leased assets

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

1.10 Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 Taxation

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

1.12 Pension 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 16, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities 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 Statement of Accounting Policies (continued)

1.13 Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder / donor and include grants from the ESFA / DfE.

1.14 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 16, 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 2017. 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.

2 Donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Capital grants	-	160,273	160,273	24,971
Other grants and donations	101,953	8,877	110,830	92,229
	<u>101,953</u>	<u>169,150</u>	<u>271,103</u>	<u>117,200</u>

In the prior year the academy trust received £49,134 in restricted grants and donations.

3 Funding for the Academy Trust's educational operations	Unrestricted	Restricted	Total	Total
	funds	funds	funds	funds
	2018	2018	2018	2017
	£	£	£	£
DfE / ESFA grants				
General Annual Grant (GAG)	-	1,247,676	1,247,676	1,257,231
Other DfE / ESFA grants	-	43,260	43,260	32,250
	-	1,290,936	1,290,936	1,289,481
Other Government grants				
Local authority grants	-	89,589	89,589	89,865
	-	89,589	89,589	89,865
Other income from the Academy Trust's educational operations				
Catering income	116,533	-	116,533	134,566
After school and breakfast clubs	61,811	-	61,811	17,938
	178,344	-	178,344	152,504
	178,344	1,380,525	1,558,869	1,531,850

In the prior year the academy trust received £1,379,346 in restricted income towards funding for its educational operations.

4 Expenditure	Non Pay Expenditure			Total 2018 £	Total 2017 £
	Staff costs £	Premises £	Other £		
Academy's educational operations					
Direct costs	1,081,467	-	120,775	1,202,242	1,170,258
Allocated support costs (Note 5)	289,589	95,368	263,043	648,000	670,524
	1,371,056	95,368	383,818	1,850,242	1,840,782

In the prior year the academy trust expended £1,516,377 from restricted funds in relation to its educational operations and £117,324 from restricted fixed asset funds.

Net income / (expenditure) for the period includes:

	Total funds 2018	Total funds 2017
Rentals payable under operating leases	252	1,005
Fees payable to the Academy's auditor for audit services	7,500	8,000
Fees payable to the Academy's auditor for other services	3,855	3,290
Depreciation	121,908	117,324

5 Analysis of support costs	Total funds 2018 £	Total funds 2017 £
Support staff costs	289,589	295,927
Depreciation	121,908	117,324
Technology costs	8,386	7,120
Premises costs	95,368	106,439
Other support costs	119,182	129,540
Governance costs	13,567	14,174
	<u>648,000</u>	<u>670,524</u>

6 Staff costs	Total 2018 £	Total 2017 £
Staff costs during the period were:		
Wages and salaries	1,024,255	994,708
Social security costs	83,563	83,177
Operating costs of defined benefit pension schemes	245,555	245,213
	<u>1,353,373</u>	<u>1,323,098</u>
Agency staff costs	17,683	47,984
	<u>1,371,056</u>	<u>1,371,082</u>

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

	Headcount		Full-time Equivalents	
	2018 No.	2017 No.	2018 No.	2017 No.
<i>Charitable activities</i>				
Teachers	19	18	15	15
Administration and support	40	42	21	19
	<u>59</u>	<u>60</u>	<u>36</u>	<u>34</u>

The number of employees whose emoluments exceeded £60,000 was:

	2018 No.	2017 No.
£70,001 - £80,000	<u>1</u>	<u>1</u>

6 Staff costs (continued)

The above employee participated in the Teachers' Pension Scheme. The value of contributions in the year was £12,242 (2017: £12,059).

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer National Insurance contributions) received by key management personnel for their services to the academy trust was £239,400 (2017: £263,288).

7 Related party transactions - trustees' remuneration and expenses

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

A Reid (principal and staff trustee)

Remuneration £70,000 - £75,000 (2017: £70,000 to £75,000)

Employer's pension contributions £10,000 - £15,000 (2017: £10,000 to £15,000)

P Jones (staff trustee)

Remuneration £55,000 - £60,000 (2017: £50,000 to £55,000)

Employer's pension contributions £5,000 - £10,000 (2017: £5,000 to £10,000)

S Arnold (staff trustee)

Remuneration £10,000 - £15,000 (2017: £5,000 to £10,000)

Employer's pension contributions £nil - £5,000 (2017: £nil)

J Parish (staff trustee until 11 July 2017)

Remuneration £nil (2017: £45,000 to £50,000)

Employer's pension contributions £nil (2017: £5,000 to £10,000)

J Warne (staff trustee)

Remuneration £nil - £5,000 (2017: £15,000 - £20,000)

Employer's pension contributions £nil - £5,000 (2017: £nil - £5,000)

J Sims (staff trustee from 28 November 2017)

Remuneration £30,000 - £35,000 (2017: £nil)

Employer's pension contributions £5,000 - £10,000 (2017: £nil)

No trustee was reimbursed expenses during the year (2017: £nil). Other related party transactions involving trustees are set out in Note 18.

8 Trustees' and officers' insurance

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

9 Tangible fixed assets

	Leasehold property £	Leasehold improve- ments £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2017	3,112,861	195,435	316,645	3,624,941
Additions	123,133	31,529	22,847	177,509
At 31 August 2018	3,235,994	226,964	339,492	3,802,450
Depreciation				
At 1 September 2017	404,671	42,818	160,418	607,907
Charge for the period	62,258	16,335	43,316	121,909
At 31 August 2018	466,929	59,153	203,734	729,816
Net book value				
At 31 August 2018	2,769,065	167,811	135,758	3,072,634
At 31 August 2017	2,708,190	152,617	156,227	3,017,034

On incorporation, the Academy was granted a lease over the school buildings at Witches Lane, Sevenoaks, at a peppercorn rental. The leasehold property has been recognised at its depreciated replacement cost on the basis that it represents specialised property and as such no open market value for existing use is readily available. The Trustees have based their estimate of depreciated replacement cost on a desktop valuation commissioned by the ESFA as at 31 August 2012 for the purposes of inclusion in the Whole of Government Accounts.

10 Debtors

	2018 £	2017 £
VAT recoverable	29,451	6,152
Prepayments and accrued income	7,182	13,142
	36,633	19,294

11 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	4,422	-
Accruals and deferred income	48,284	13,010
	52,706	13,010

11 Creditors: amounts falling due within one year (continued)

	2018 £	2017 £
Deferred income at 1 September 2017	-	-
Released from previous years	-	-
Resources deferred in the year	23,738	-
	<u>23,738</u>	<u>-</u>
Deferred income at 31 August 2018	<u>23,738</u>	<u>-</u>

At the balance sheet date the academy trust was holding funds received in advance for the breakfast and afterschool clubs and a grant relating specifically to 2018/19.

12 Funds

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	-	1,247,676	(1,290,446)	42,770	-
Other DfE / ESFA grants	1,080	43,260	(38,863)	-	5,477
Other grants and donations	2,386	98,466	(98,855)	-	1,997
Pension reserve	(730,000)	-	(91,000)	172,000	(649,000)
	<u>(726,534)</u>	<u>1,389,402</u>	<u>(1,519,164)</u>	<u>214,770</u>	<u>(641,526)</u>
Restricted fixed asset funds					
DfE / ESFA capital grants	2,820,740	150,273	(78,256)	-	2,892,757
Capital expenditure from GAG	35,286	-	(15,864)	38,486	57,908
Private sector capital sponsorship	166,896	10,000	(27,788)	-	149,108
	<u>3,022,922</u>	<u>160,273</u>	<u>(121,908)</u>	<u>38,486</u>	<u>3,099,773</u>
Restricted fixed asset fund	<u>3,022,922</u>	<u>160,273</u>	<u>(121,908)</u>	<u>38,486</u>	<u>3,099,773</u>
Total restricted funds	<u>2,296,388</u>	<u>1,549,675</u>	<u>(1,641,072)</u>	<u>253,256</u>	<u>2,458,247</u>
Unrestricted funds					
General fund	25,984	289,299	(209,170)	(81,256)	24,857
	<u>25,984</u>	<u>289,299</u>	<u>(209,170)</u>	<u>(81,256)</u>	<u>24,857</u>
Total unrestricted funds	<u>25,984</u>	<u>289,299</u>	<u>(209,170)</u>	<u>(81,256)</u>	<u>24,857</u>
Total funds	<u>2,322,372</u>	<u>1,838,974</u>	<u>(1,850,242)</u>	<u>172,000</u>	<u>2,483,104</u>

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

General Annual Grant (GAG)

This represents the funding received from the Secretary of State to cover the normal running costs of the academy trust. 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 2018.

12 Funds (continued)

Restricted fixed asset fund

This fund contains grants specifically towards capital expenditure, and any fixed assets donated to the academy trust which have restrictions over their use. Expenditure on fixed assets funded from the GAG is transferred to the restricted fixed asset fund.

Comparative information in respect of the preceeding period is as follows;

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)		1,257,231	(1,272,618)	15,387	-
Other DfE / ESFA grants		32,250	(32,580)	1,410	1,080
Other grants and donations	537	114,028	(112,179)		2,386
Pension reserve	(930,000)		(99,000)	299,000	(730,000)
	(929,463)	1,403,509	(1,516,377)	315,797	(726,534)
Restricted fixed asset funds					
DfE / ESFA capital grants	2,890,772	8,320	(78,352)		2,820,740
Capital expenditure from GAG	52,718		(17,432)		35,286
Private sector capital sponsorship	171,785	16,651	(21,540)		166,896
Restricted fixed asset fund	3,115,275	24,971	(117,324)	-	3,022,922
Total restricted funds	2,185,812	1,428,480	(1,633,701)	315,797	2,296,388
Unrestricted funds					
General fund	24,888	224,974	(207,081)	(16,797)	25,984
Total unrestricted funds	24,888	224,974	(207,081)	(16,797)	25,984
Total funds	2,210,700	1,653,454	(1,840,782)	299,000	2,322,372

13 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2018	2018	2018	2017
	£	£	£	£
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	3,072,634	3,072,634
Net current assets	24,857	7,474	27,139	59,470
Pension scheme liability	-	(649,000)	-	(649,000)
Total net assets	24,857	(641,526)	3,099,773	2,483,104

Comparative information in respect of the preceeding period is as follows;

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2017	2017	2017	2016
	£	£	£	£
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	3,017,034	3,017,034
Net current assets	25,984	3,466	5,888	35,338
Pension scheme liability	-	(730,000)	-	(730,000)
Total net assets	25,984	(726,534)	3,022,922	2,322,372

14 Commitments under operating leases

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

	2018	2017
	£	£
Amounts due within one year	916	916
Amounts due between one and five years	229	1,145
	1,145	2,061

15 Members' liability

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

16 Pension obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016. There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010 and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change in contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million.
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2016. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £101,183 (2017: £84,653).

16 Pension obligations continued

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

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

The total contribution made for the year ended 31 August 2018 was £93,000 (2016: £86,000), of which employer's contributions totalled £72,000 (2017: £66,000) and employees' contributions totalled £21,000 (2017: £20,000). The agreed contribution rates for future years are 20.0% for employers and between 5.5 and 9.9% for employees, depending on earnings.

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

Principal actuarial assumptions:

	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.8%	4.2%
Rate of increase for pensions in payment / inflation	2.3%	2.7%
Discount rate for scheme liabilities	2.7%	2.6%
Inflation assumption (CPI)	2.3%	2.7%
Communtation of pensions to lump sums	50.0%	50.0%

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

	At 31 August 2018	At 31 August 2017
	Years	Years
<i>Retiring today</i>		
Males	23.1	23.0
Females	25.2	25.1
<i>Retiring in 20 years</i>		
Males	25.3	25.2
Females	27.5	27.4

16 Pension obligations continued

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	641,000	656,000
Gilts	7,000	7,000
Bonds	83,000	90,000
Property	116,000	115,000
Cash	29,000	30,000
Absolute return fund	64,000	36,000
	<hr/>	<hr/>
Total market value of assets	940,000	934,000
	<hr/>	<hr/>
Present value of scheme liabilities - funded	(1,589,000)	(1,664,000)
	<hr/>	<hr/>
Deficit in the scheme	(649,000)	(730,000)
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £40,000 (2017: £131,000).

Amounts recognised in the statement of financial activities:

	2018 £	2017 £
Current service cost (net of employee contributions)	145,000	146,000
Net interest cost	18,000	19,000
	<hr/>	<hr/>
Total operating charge	163,000	165,000
	<hr/> <hr/>	<hr/> <hr/>

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

	2018 £	2017 £
At 1 September 2017	1,664,000	1,685,000
Current service cost	145,000	146,000
Interest cost	42,000	37,000
Employee contributions	21,000	20,000
Actuarial (gain) / loss	(156,000)	(223,000)
Benefits paid	(127,000)	(1,000)
	<hr/>	<hr/>
At 31 August 2018	1,589,000	1,664,000
	<hr/> <hr/>	<hr/> <hr/>

16 Pension obligations continued

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

	2018 £	2017 £
At 1 September 2017	934,000	755,000
Interest income	24,000	18,000
Actuarial gain / (loss)	16,000	76,000
Employer contributions	72,000	66,000
Employee contributions	21,000	20,000
Benefits paid	(127,000)	(1,000)
At 31 August 2018	<u>940,000</u>	<u>934,000</u>

Sensitivity analysis:

	£000s	£000s	£000s
<i>Adjustment to discount rate</i>	+0.1%	0.0%	-0.1%
Present value of total obligation	1,554	1,589	1,624
Projected service cost	127	130	133
<i>Adjustment to long term salary increase</i>	+0.1%	0.0%	-0.1%
Present value of total obligation	1,593	1,589	1,585
Projected service cost	130	130	130
<i>Adjustment to pension increases and deferred revaluation</i>	+0.1%	0.0%	-0.1%
Present value of total obligation	1,621	1,589	1,558
Projected service cost	133	130	127
<i>Adjustment to life expectancy assumptions</i>	+ 1 year	None	- 1 year
Present value of total obligation	1,643	1,589	1,537
Projected service cost	134	130	126

17 Capital Commitments

	2018 £	2017 £
Contracted for, but not provided in the financial statements	<u>57,264</u>	<u>-</u>

18 Related party transactions

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

The academy trust received total unrestricted donations of £95,313 (2017: £56,764) from Amherst School Fund, a separate charity under common control, whose objects are to advance the education of the pupils of the trust.