

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

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AD MELIORA ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Alan Hayes, Chair of Members Georgina Holloway Mary Howard Valerie Woods
Trustees	Karl Jermyn, Chair of Trustees Andrew Walder, Vice Chair Lisa Cook Richard Curtis Michael Douglass (appointed 8 November 2021) Dorothy Pulsford-Harris (resigned 19 July 2022) Peter Britton (appointed 1 September 2022) William Mollison (resigned 29 October 2021)
Company registered number	10270029
Company name	Ad Meliora Academy Trust
Principal and registered office	Greenpark Academy 9-11 Wensum Way Kings Lynn Norfolk PE30 2RE
Company secretary	Barbara Kimpton (until 30/06/2022) Janet McGahren (from 30/06/2022)
Senior management team	Lisa Cook, Chief Executive Headteacher
Independent auditors	Price Bailey LLP Chartered Accountants Statutory Auditors Anglia House, 6 Central Avenue St Andrews Business Park Thorpe St Andrew Norwich Norfolk NR7 0HR
Bankers	Santander Bridle Road Bootle Merseyside L30 4GB
Solicitors	Duncan Pickering 4 Southfields Bourne Lincolnshire PE10 9TZ

AD MELIORA ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Ad Meliora Academy Trust ("the Charitable Company" or "the Trust") for the year to 31 August 2022. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The company was formed on 8 July 2016 and remained dormant until the first academy converted on 1 October 2016.

The Trust operates three primary ("the Academies" or "the Schools") serving catchment areas in King's Lynn and Blenheim Park. The Academies have a combined pupil capacity of 889 and had a roll of 731 in the census on 19 May 2022

General information regarding the Trust can be found on the Reference and Administrative Details page prior to this.

The Chief Executive Officer also known as the Chief Executive Headteacher (CEH) of the Trust is Lisa Cook, who was appointed as a Trustee on the 8 July 2016.

Structure, governance and management

a. Constitution

The 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. The Trustees of Ad Meliora Academy Trust are also the Directors of the Charitable Company for the purposes of company law. Within this report the terms Trustee and Director are interchangeable. The Charitable Company includes the following Academies:

- Blenheim Park Academy - converted and joined the Trust on 1 March 2017
- Greenpark Academy - (formerly St Edmund's Academy) converted and joined the Trust on 1 October 2016
- Reffley Academy - converted and joined the Trust on 1 August 2017

The operation of The Trust's Academies and employment of staff are the responsibility of the Trustees. The Trust retains control of Academy budgets and finances, and monitors these through its Resources and Audit Committee (RAC). Each Academy has a Local Governing Body (LGB) who supports the Board of Trustees in the monitoring of their Academy. Within this Report, the term Trustee refers to a member of the Board of Trustees and the term Governor to a member of an LGB.

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

b. 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.

c. Trustees' indemnities

The Trust has opted to be covered under the Government's Risk Protection Arrangements (RPA) scheme to protect Trustees, Governors and Officers, from claims arising from negligent acts, omissions or errors whilst performing Trust business.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The arrangements are as set out in the Articles and Funding Agreement.

Trustees are appointed for a fixed term. The Chief Executive Headteacher is an ex officio member of the Board of Trustees. Parent Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. Co-opted Trustees are elected by the existing Trustee cohort and their appointment is ratified by the Members of the Trust. The Articles of Association make provision for 3 or more (numbers are not subject to a maximum) and will include the Chief Executive Headteacher.

Local Governing Body:

The Board has Local Governing Bodies in each academy that works under the overall direction of the trustees. The purpose of the committee is to provide oversight, investment of time and expertise alongside direction the MAT is required to provide. The committee works to a clear delegation scheme and focuses on three specific areas. The body is made up of between five and seven representatives including the chair. The make up of each body includes parents, community representatives, a member of staff, the academy Headteacher and trustees. Recruitment is carried out through a formal process. Key local board functions include:

- Safeguarding (including attendance)
- Academic outcomes
- Community engagement

e. Policies adopted for the induction and training of Trustees

The Trust is committed to providing adequate opportunities for Trustees and committee members to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust uses Educator Solutions as the main training provider. New Trustees and committee members are required to undertake training through this external provider who schedules a range of training/courses that can be selected to meet individual development needs. The induction programme involves a tour of the relevant Academy, meetings with Headteachers and provision of policy and procedures documents that are appropriate to the role they undertake.

Trustees will undertake training for:

- SEND
- Safeguarding
- Trustee governance and responsibilities.

Key functions of the trustees and board are:

- Setting MAT strategy
- Agreeing the annual strategic plan for the MAT
- Approving individual Academies' plans
- Financial oversight and accountability
- Appointing the Executive Headteacher & Headteachers
- Risk Management

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

f. Organisational structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Board of Trustees meets on at least 4 occasions per year and is responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring The Trust by the use of those budgets and making major decisions about the direction of The Trust, capital expenditure, senior staff appointments and executive pay.

The Governors within their LGB's which meet on at least 4 occasions each year are responsible for implementing strategic policy, ensuring the appropriateness and robustness of safeguarding procedures; monitoring performance against academic targets and effectiveness of community engagement. Terms of reference for the LGBs are reviewed annually. The LGB reports to the Board of Trustees.

The Academy Senior Leadership Teams (SLT's) control the Academies at an academy level implementing policies and reporting to their LGB. Each SLT is responsible for the day to day operation of their Academy, in particular organising staff, resources and pupils. They are responsible for the management of spending in accordance with their agreed delegated budgets and spending limits. In addition, they are responsible for the appointment of staff, below senior leadership level i.e. Deputy and above, within the agreed limits, following vetting and safeguarding recruitment processes.

The Chief Executive Headteacher (CEH) is the designated Accounting Officer and has overall responsibility for the day to day financial management of the Trust. The CEH manages the Trust on a daily basis supported by a Trust Central Team comprising the Chief Finance Office and Trust Finance Administrator, who look across the Trust and aligns local SLT and LGB activity to the strategic aims of the Trust as a whole. The Trust Central Team meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Board of Trustees as required for approval.

g. Arrangements for setting pay and remuneration of key management personnel

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the school group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration is approved by the Resources and Audit committee and ratified by the Board of Trustees.

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

h. Related parties and other connected charities and organisations

Owing to the nature of the Trust's operations and the composition of the Board of Trustees and LGB's being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which a Trustee or a Governor may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee or Governor may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust cooperated with the following organisations during the academic year in pursuit of its charitable activities:

- Freebridge Housing

The Trust does not have a formal sponsor.

i. Trade Union Facility Time

The Trust has no employees that are Trade Union Representatives.

The Trust bought in facilities time from Educator Solutions at a cost of £2,290 (2021: £1,975) in the year ended 31 August 2022.

Objectives and activities

a. Objects and aims

The principal object and aim of the Trust is the operation of a family of Academies to provide free education and care for pupils of different abilities between the ages of 3 and 11. Specifically to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values.

b. Objectives, strategies and activities

During the year the Trust has worked towards these aims by:

- ensuring that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- raising the standard of educational achievement of all pupils;
- developing resilient, resourceful pupils;
- adapting and applying skills for flexible life-long learning;
- improving the effectiveness of each Academy by keeping the curriculum and organisational structure under continual review;
- providing value for money for the funds expended; and
- conducting the Trust's business in accordance with the highest standards of integrity.

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TRUSTEES' REPORT (CONTINUED)
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Objectives and activities (continued)

Our success in fulfilling our aims can be measured by:

- Our inspection outcome at Reffley Academy.
- A 150% increase in pupil numbers at Greenpark Academy.
- Our academies remaining open throughout Wave 3 of the pandemic.
- We have been successful in recruitment and have a full complement of staff
- Increased numbers of governors across the Trust.
- Our academies remaining open through significant disruption to staffing numbers due to Wave 3 of the Covid pandemic.
- The Trust managing funds well so that the Trust remains solvent, has reserves and has submitted a three-year financial plan that is realistic.

c. Public benefit

In setting our objectives and planning our activities the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

Strategic report

Achievements and performance

The Trust continued its mission to ensure that pupils achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left their Academy.

Specific achievements were as follows:

- Reffley Academy was inspected in March 2022 and was rated 'Good' overall with an 'Outstanding' judgement for 'Behaviours and Attitudes'.
- Greenpark Academy has grown rapidly with numbers increasing from 183 to 275. The Trust has been successful at obtaining growth funding through the Local Authority and established additional class bases and staffing to manage the rising role.
- Our Covid-19 measures were reviewed regularly and disruption kept to a minimum. All three academies have remained open throughout Wave 3 of the pandemic.
- We have successfully recruited a range of staff to the Trust including experienced class teachers.
- We have developed our apprenticeship programme and have successfully supported 3 apprentices who are now employed by the Trust.
- Our teacher training support programme has been further developed, one of our Unqualified Teachers gained qualified status in April 22.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

Financial

As funding is based on pupil numbers this is a KPI. Although pupil numbers for 2021 were 731, we were funded on 613 pupils with a budget of £3,053,068.

A further KPI is staffing costs as a percentage of total recurring income. For 2021/22 this was 77.5% (2021: 77.6%) against set parameters of 75-80%. The Board of Trustees is confident that staffing levels are closely monitored to agreed Full Time Equivalent and staffing structures all approved by them.

The Resources and Audit committee also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the Board.

Other key achievements:

Non-Financial

- Outcomes have improved overall from 2017. Although achievement in writing remains a focus area, outcomes at Blenheim Park have improved significantly. Unvalidated data is close to/or above the national provisional data.
- A range of support for pupils and their families has continued and has included pastoral support, mental health signposting, access to our own foodbank and free uniform bank.
- Attendance overall is in line with national attendance figures. Leaders have worked closely with parents and external agencies in the pursuit of good attendance.
- We have successfully recruited a range of staff to the Trust including experienced class teachers.

b. 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 they continue 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 accounting policies.

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

Financial review

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education Funding Agency (ESFA). For the year ended 31 August 2022 the Trust received £4,080,903 (2021: £8,101,600) of GAG and other income. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the period the Trust spent £4,582,939 (2021: £4,614,398) including capital projects. The Trust brought forward from 20/21 £249,287 in restricted funding (excluding the pension deficit), and £310,514 of unrestricted funding. The carry forward for 21/22 is £312,961 restricted funding (excluding the pension deficit), and £292,851 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £576,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. While there has been a significant reduction in the opening deficit of £2,219,000 resulting from the application of actuarial assumptions, this does not guarantee that contribution rates will reduce and ease the cash flow effect on the Trust.

The Covid 19 pandemic continued to be a significant event in 21-22. The Trust incurred additional expenditure throughout the financial year for cleaning although this has not impacted on the end of year financial position. The Trust recognises that end of year outcomes and rates of attendance were affected.

Managing the levels of funding for Greenpark against the rate of growth continues to be a challenge for the Trust. Additional growth funding has been accessed through the Local Authority

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TRUSTEES' REPORT (CONTINUED)
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a. Reserves policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year end carry forward figures via the monthly reports from the Chief Executive Headteacher and Trust Finance Officer/Business Manager. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £292,852 (2021: £310,514). This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

The Trust aims to hold £250,000 (equivalent to one month's staffing costs), in carry forward reserves, excluding fixed assets and pension, for in year contingencies and always plans to have a carry forward of between 5% and 10% of GAG income per school to assist in making strategic decisions to keep in line with national funding changes and curriculum needs.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2022 was £605,813 (2021: £559,801).

The cash balance of the Trust has been healthy all period, ending the period with a balance of £945,161 (2021: £607,276). A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the monthly management reports and attempt to hold a minimum of £250,000 to cover short term cash flow variances.

b. Investment policy

The Trust does not currently make investments as stated in the Trust Policy for Finances.

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TRUSTEES' REPORT (CONTINUED)
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c. Principal risks and uncertainties

The Trustees maintain a risk register identifying the major risks to which the Trust and the individual Academies are exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each Resources and Audit committee meeting. The principal risks facing the Trust are outlined below; those facing the Trust at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a group of academy schools, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- The Trust has considerable reliance on continued Government funding through the ESFA and whilst there has been a small injection of additional funding this will not be enough to counteract the rise of the minimum wage, teachers pensions contribution rise and any other additional costs that the Government may choose to introduce;
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees have reviewed systems to ensure that appropriate measures are in place to mitigate these risks;
- Reputational - the continuing success of the individual Academies is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that pupil progress and outcomes are closely monitored and reviewed;
- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- Staffing - the success of the Academies is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- Fraud and mismanagement of funds - the Trustees have appointed Educator Solutions to carry out a programme of internal scrutiny which includes independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- Financial instruments - the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low;
- COVID-19 - the risk of an Academy having to close due to localised infections has been mitigated by extensive risk assessment planning and amended working practices; and
- Defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Trust is the annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Fundraising

The Trust only held small fundraising events during the year including cake stalls, raffles, coffee mornings and non-uniform days. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events. All fundraising undertaken during the year was monitored by the Trustees.

Plans for future periods

The Trust has the following plans:

Short term

- Continue to further improve outcomes across the Trust.
- Broaden the programme of networks to include Early Career and Unqualified Teachers.
- Support and nurture our team of Unqualified Teachers to gain Qualified Teacher Status.
- Strengthen LGBs through a menu of support, mentoring and training.

Medium term

- Strengthen leadership so that our structure matches our increase in pupil numbers.
- Secure 'good' Ofsted judgements at Blenheim Park and Greenpark academies.
- Establish extended hours at Greenpark and Reffley to support families requiring childcare.

Long term

- Work with local partners to manage the growth at Reffley Academy following the new development at Knights Hill.
- Further develop relationships with schools and Trusts outside of our Trust.

Funds held as custodian on behalf of others

There were no funds held as Custodian Trustee on behalf of others.

Disclosure of information to auditors

Insofar as the Trustees are aware there is no relevant audit information of which the Charitable Company's Auditors are unaware, and the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 8 December 2022 and signed on its behalf by:

Karl Jermyn
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

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

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive 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 the Ad Meliora 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. The board met six times during the year and is satisfied that through the use of sub-committees it maintains effective oversight of funds. Details of two such sub-committees are noted below.

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 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
Karl Jermyn, Chair of Trustees	6	6
Andrew Walder, Vice Chair	5	6
Lisa Cook	6	6
Richard Curtis	6	6
Michael Douglass	3	6
Dorothy Pulsford-Harris	4	6
William Mollison	0	1

Review of year:

We have made progress with governor recruitment and effectiveness. Through rigorous recruitment, we have been successful at attracting new governors who are keen to be actively involved with their role.

We have reviewed our governance structures and have put in place a revised schedule of business and monitoring programme. This has made a difference to how productive meetings are.

Directors are mindful that we are a small Trust. We have rigorous financial management procedures in place to ensure that money is well used and that the Trust remains solvent. The Trust continues to have reserves and has submitted a three-year financial plan that is realistic.

Conflicts of interest:

The Trust requires trustees to identify any conflicts of interest at each trustee's and LGB meeting. This is a standard agenda item. If a trustee is aware of an undeclared conflict of interest affecting another trustee, they are required to notify the Chair.

Prospective trustees are asked about potential conflicts of interest to identify any serious or frequent conflicts that would impact on their appointment.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Where there is a conflict of interest, trustees are required to absence themselves from any discussion of the trustees where it is possible a conflict of interest will arise with their duty to act solely in the interests of the trust. They are not counted when calculating the quorum for that part of the meeting.

Trustees are required to complete an annual declaration of interest, which is a written record of any conflicts of interest showing. This information is published via the Trust website.

In 2021-22, there have been no conflicts of interest.

Governance reviews:

1. An in depth review of the Scheme of Delegation to ensure there is segregation of duties and a clear remit/scope for each committee.
2. A revision to the meeting schedule and agenda items – ensuring that these were consistent with our revised Scheme of Delegation.
3. A review and revision of the governor monitoring schedule and Headteacher reporting format to ensure that there is a clear focus and no unnecessary repetition.
4. To address governor confidence in carrying out monitoring, paired monitoring has taken place using an experienced governor with a less experienced governor to undertake monitoring activity.
5. A review of Local Board membership and attendance at meetings. A recruitment programme was put in place. New governors have been appointed.

Committees

The finance and audit committee is a sub-committee of the main board of trustees. Its purpose is to:

- The Board of Directors delegates responsibility for the Financial Management of the Trust to the Resources and Audit Committee.
- Provide guidance and assistance to the Chief Executive Headteacher and Trust Board in all matters relating to budgeting, finance and pay.
- Provide oversight of the financial reporting process, the audit process, the Trust's system of internal controls and compliance with laws and regulations.
- Agree the mechanism of staff appraisal.
- Monitor the mechanism of staff appraisal
- All matters relating to staff pay progression (excluding the Chief Executive Headteacher and Academy Headteachers).

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

During the year the following issues were dealt with by the committee:

- Management of external funds and the allocation of Trust funds to manage the growth in numbers at Greenpark.
- The recruitment of new staff to fill vacancies that have arisen across the Trust.
- Managing periods of significant staff shortage due to illness due to Covid.
- Establishing a remodelling and refurbishment programme of toilet blocks at Reffley and Blenheim Park.
- CIF application bids at Reffley and Blenheim Park.

During the year the following changes to the committee took place:

William Mollison left the Board in October 2021. There were no other changes.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Lisa Cook	6	6
Richard Curtis	5	6
Karl Jermyn	6	6
Dorothy Pulsford-Harris	3	6
Andrew Walder	4	6
Michael Douglass	3	5

Review of value for money

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

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

- A budget for staff sickness is allocated to each academy. Any underspend is used to buy additional staff for interventions or resources needed.
- As old contracts have come to an end, where possible, we have tested the market through research and tendering to procure services that meet our needs and provide good value for money.
- We have shared resources between the academies within the Trust – physical classroom resources, staffing and expertise. This has enabled an improved quality of service at a back office and classroom level.
- Trust online and virtual training has been sourced to enable greater access to relevant training across the Trust.
- We have undertaken a fair value exercise to ensure that our letting charges and Nursery charges are in line with current market forces.
- Following market research, the central team has moved into a new office which gives better value for money.
- The central team has been remodelled to be more streamlined and efficient.

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GOVERNANCE STATEMENT (CONTINUED)

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 The Ad Meliora Academy Trust for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the Resources and Audit 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
- identification and management of risks.

Internal Scrutiny/Audit

The Board of Trustees has decided to buy-in an internal audit service from Educator Solutions.

This option has been chosen because the trust wishes to seek an experienced, external, impartial perspective with professionals who have up to date training and knowledge of auditing.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included:

Fraud, theft and bribery

- the process of segregation of duties of the finance system.
- procedures to identify related parties and disclose related party transactions.
- when the key documents were last reviewed - Fraud policy, pecuniary interest register, Finance Policy, fraud log, Whistle Blowing Policy.
- banking arrangements and check for levels of authorisation.
- procedures to identify related parties and disclose related party transactions.
- The capitalisation of assets to ensure items are accounted for correctly.
- the asset disposal register to ensure that items are identified and recorded in line with the disposals policy.
- Purchases over approved limits set by the governing body reviewed to ensure that correct procurement processes have been undertaken.
- capital projects have been undertaken in line with the procedures detailed in the finance policy.

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

On an annual basis, the internal auditor reports the Board of Trustees through the resources and audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. On an annual basis the auditor prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The internal auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of the internal auditor's work.

Review of effectiveness

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

- the work of the internal auditor;
- the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;
- correspondence from ESFA e.g. FNtl/Ntl and 'minded to' letters.

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

Approved by order of the members of the Board of Trustees on 8 December 2022 and signed on their behalf by:

Karl Jermyn
Chair of Trustees

Lisa Cook
Accounting Officer

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Ad Meliora Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Trust Handbook 2021.

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.

Lisa Cook
Accounting Officer
Date: 8 December 2022

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 8 December 2022 and signed on its behalf by:

Karl Jermyn
Chair of Trustees

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF AD
MELIORA ACADEMY TRUST**

Opinion

We have audited the financial statements of Ad Meliora Academy Trust (the 'academy trust') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF AD
MELIORA ACADEMY TRUST (CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF AD MELIORA ACADEMY TRUST (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of any large or unusual transactions to determine whether they were significant to our assessment.
- We reviewed key controls, authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of Trustee meetings and other relevant sub-committees of the Board and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of the Accounting Officer and senior management team to identify laws and regulations applicable to the Trust. We assessed details of any breaches where applicable in order to assess the impact upon the Trust.
- We reviewed the risk management processes and procedures in place including a review of the Risk Register and Board assurance reporting and the Internal Scrutiny Reports.
- We have reviewed any correspondence with the ESFA / DfE and the procedures in place for the reporting of incidents to the Trustees including reporting of any serious incidents to the Regulator if necessary.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF AD
MELIORA ACADEMY TRUST (CONTINUED)**

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

John Warren BSc FCA (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Anglia House, 6 Central Avenue

St Andrews Business Park

Thorpe St Andrew

Norwich

Norfolk

NR7 0HR

15 December 2022

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AD MELIORA
ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 20 August 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ad Meliora Academy Trust during the year 1 September 2021 to 31 August 2022 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 Ad Meliora Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Ad Meliora Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Ad Meliora Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Ad Meliora Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Ad Meliora Academy Trust's funding agreement with the Secretary of State for Education dated 26 September 2016 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AD MELIORA
ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by 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 our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance;
- Consideration and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities;
- Evaluation of the general control environment of the Academy Trust, extending the procedures required for financial statements to include regularity, propriety and compliance;
- Discussions with and representations from the Accounting Officer and other key management personnel;
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AD MELIORA
ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Price Bailey LLP

Chartered Accountants
Statutory Auditors
Anglia House, 6 Central Avenue
St Andrews Business Park
Thorpe St Andrew
Norwich
Norfolk
NR7 0HR

Date: 15 December 2022

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants:	4					
Donations and capital grants		-	-	-	-	9,473,792
Property transfer to Local Authority		-	-	-	-	(4,880,981)
Other donations and capital grants		-	28,145	232,839	260,984	-
Other trading activities	6	31,464	-	-	31,464	19,272
Charitable activities	5	43,004	3,745,451	-	3,788,455	3,489,517
Total income		74,468	3,773,596	232,839	4,080,903	8,101,600
Expenditure on:						
Charitable activities		78,144	3,964,131	540,664	4,582,939	4,614,398
Total expenditure		78,144	3,964,131	540,664	4,582,939	4,614,398
Net (expenditure)/income		(3,676)	(190,535)	(307,825)	(502,036)	3,487,202
Transfers between funds	17	(13,986)	(56,791)	70,777	-	-
Net movement in funds before other recognised gains/(losses)		(17,662)	(247,326)	(237,048)	(502,036)	3,487,202
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	1,954,000	-	1,954,000	(407,000)
Net movement in funds		(17,662)	1,706,674	(237,048)	1,451,964	3,080,202

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Note					
Reconciliation of funds:					
Total funds brought forward	310,514	(1,969,713)	15,588,200	13,929,001	10,848,799
Net movement in funds	(17,662)	1,706,674	(237,048)	1,451,964	3,080,202
Total funds carried forward	<u>292,852</u>	<u>(263,039)</u>	<u>15,351,152</u>	<u>15,380,965</u>	<u>13,929,001</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 31 to 58 form part of these financial statements.

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 10270029

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	15,308,408	15,571,359
		15,308,408	15,571,359
Current assets			
Debtors	15	174,863	118,945
Cash at bank and in hand		945,161	607,276
		1,120,024	726,221
Creditors: amounts falling due within one year	16	(471,467)	(149,579)
		648,557	576,642
Net current assets		648,557	576,642
Total assets less current liabilities		15,956,965	16,148,001
Net assets excluding pension liability		15,956,965	16,148,001
Defined benefit pension scheme liability	23	(576,000)	(2,219,000)
Total net assets		15,380,965	13,929,001
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	17	15,351,152	15,588,200
Restricted income funds	17	312,961	249,287
		15,664,113	15,837,487
Restricted funds excluding pension asset	17	15,664,113	15,837,487
Pension reserve	17	(576,000)	(2,219,000)
		15,088,113	13,618,487
Total restricted funds	17	15,088,113	13,618,487
Unrestricted income funds	17	292,852	310,514
		15,380,965	13,929,001
Total funds		15,380,965	13,929,001

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 10270029

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements on pages 26 to 58 were approved by the Trustees, and authorised for issue on 08 December 2022 and are signed on their behalf, by:

Karl Jermyn
Chair of Trustees

The notes on pages 31 to 58 form part of these financial statements.

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	19	616,201	9,155,207
Cash flows from investing activities	20	(278,316)	(9,166,047)
Change in cash and cash equivalents in the year		337,885	(10,840)
Cash and cash equivalents at the beginning of the year		607,276	618,116
Cash and cash equivalents at the end of the year	21, 22	<u>945,161</u>	<u>607,276</u>

The notes on pages 31 to 58 form part of these financial statements

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. General information

Ad Meliora Academy Trust is a private company limited by guarantee, incorporated on 8 July 2016 in the UK, and registered at the following address: Greenpark Academy, 9-11 Wensum Way, Kings Lynn, Norfolk, PE30 2RE.

The financial statements are presented in Pounds Sterling and are rounded to the nearest £.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Ad Meliora Academy Trust meets the definition of a public benefit entity under FRS 102.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the 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.

The Academy Trust derives the majority of its income from local and national government grant funding which is secured for a number of years, under the terms of the Academy Funding Agreement with the Secretary of State for Education. This will ensure that the Academy can continue operating for a period of at least 12 months following the date of this report. The financial statements do not contain any adjustments that would be required if the Academy Trust were not able to continue as a going concern.

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.3 Income

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

• **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

• **Donations**

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

• **Other income**

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

• **Donated fixed assets (excluding transfers on conversion or into the academy trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Transfers of schools or assets to local authorities

Where the net assets are transferred out of the Trust to the local authority, an equal amount of income is recognised within donations and capital grant income under the relevant Donations and Capital grants heading.

AD MELIORA ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 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.

AD MELIORA ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.7 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives. Freehold property is made up of building components which require varying rates of depreciation.

Depreciation is provided on the following bases:

Freehold land	- not depreciated
Freehold property	- between 10 and 60 years
Long-term leasehold property	- between 5 and 36 years
Long-term leasehold land	- over the 125 year lease term
Furniture and equipment	- 10% straight line
Plant and machinery	- 10% - 20% straight line
Computer equipment	- 25% straight line

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.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

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

2.10 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.

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NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.11 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 bases 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.

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.

2.12 Operating leases

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

2.13 Pensions

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.14 Redundancy and termination payments

Redundancy and termination costs are recognised as an expense in the Statement of Financial Activities and a liability on the Balance Sheet immediately at the point the Academy Trust is demonstrably committed to either:

- terminate the employment of an employee or group of employees before normal retirement date;
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. The Trust is considered to be demonstrably committed only when it has a detailed formal plan for the termination and is without realistic possibility of withdrawal from the plan.

2.15 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 Department for Education Group.

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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.

There are no judgements that have been applied in the preparation of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

4. Income from donations and capital grants

	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations				
Donated assets from Local Authority	-	-	-	9,209,887
Donated assets to Local Authority	-	-	-	(4,880,981)
Donations	28,145	-	28,145	4,698
Total donations	<u>28,145</u>	<u>-</u>	<u>28,145</u>	<u>4,333,604</u>
Capital Grants	-	232,839	232,839	259,207
	<u>28,145</u>	<u>232,839</u>	<u>260,984</u>	<u>4,592,811</u>
Total 2021	<u>4,698</u>	<u>4,588,113</u>	<u>4,592,811</u>	

The donated asset to Local Authority in 2021 relates to the outward transfer of the property at Kilham's Way (St Edmund's Academy), Kings Lynn to Norfolk County Council at nil consideration, as such in substance a gift on 4 January 2021. The loss is equivalent to the Net Book Value of the property at the date of transfer.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

5. Funding for the academy trust's charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Provision of Education				
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,915,566	2,915,566	2,687,964
Other DfE/ESFA grants				
Pupil premium	-	234,342	234,342	194,494
UFSM	-	70,224	70,224	68,440
PE grant	-	53,270	53,270	53,400
Teacher pay / pension grant	-	5,757	5,757	117,746
Rates reclaim	-	17,470	17,470	24,702
FSM supplementary grant	-	-	-	19,350
Others	-	63,563	63,563	637
	-	3,360,192	3,360,192	3,166,733
Other Government grants				
Local authority grants	-	361,001	361,001	242,869
	-	361,001	361,001	242,869
Other income from the academy trust's provision of education	43,004	-	43,004	30,875
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	24,258	24,258	49,040
	-	24,258	24,258	49,040
Total Provision of Education	43,004	3,745,451	3,788,455	3,489,517
	43,004	3,745,451	3,788,455	3,489,517
Total 2021	30,675	3,458,842	3,489,517	

Included in other income from the academy trust's educational operations is catering income and contributions from parents.

In 2021, all income from DfE/ESFA grants and other government grants was restricted. Other income from the academy trust's educational operations was £30,875, of which £30,675 was unrestricted and £200 was restricted.

The academy received £24,258 (2021: £49,040) of funding for catch-up and recovery premium and costs incurred in respect of this funding totalled £24,258 (2021: £49,040).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

6. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Catering income from duty meals	2,349	2,349	2,756
Rental income	14,387	14,387	2,885
Other income	14,728	14,728	13,631
	<u>31,464</u>	<u>31,464</u>	<u>19,272</u>
Total 2021	<u>19,272</u>	<u>19,272</u>	

All income from other trading activities in 2021 was unrestricted.

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Provision of Education:					
Direct costs	2,379,473	-	295,105	2,674,578	2,569,692
Allocated support costs	618,226	304,229	985,906	1,908,361	2,044,706
	<u>2,997,699</u>	<u>304,229</u>	<u>1,281,011</u>	<u>4,582,939</u>	<u>4,614,398</u>
Total 2021	<u>2,748,469</u>	<u>711,346</u>	<u>1,154,583</u>	<u>4,614,398</u>	

In 2021, direct costs consisted of £2,382,176 staff costs and £187,516 other costs.

In 2021, allocated support costs consisted of £366,293 staff costs, £711,436 premises costs and £966,977 other costs.

In 2022, £78,144 of expenditure related to unrestricted funds (2021: £44,507), £3,964,131 related to restricted funds (2021: £4,031,899) and £540,664 related to restricted fixed asset funds (2021: £5,417,683).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

8. Charitable Activities

	2022 £	2021 £
Direct costs - educational operations	2,674,578	2,569,692
Support costs - educational operations	1,908,361	2,044,706
	4,582,939	4,614,398
	4,582,939	4,614,398

Analysis of support costs

	2022 £	2021 £
Support staff costs	618,226	366,293
Depreciation	540,664	537,992
Technology costs	15,524	5,458
Premises costs	304,229	711,436
Legal costs - other	8,580	-
Other support costs	405,308	406,474
Governance costs	15,830	17,053
	1,908,361	2,044,706
	1,908,361	2,044,706

9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2022 £	2021 £
Operating lease rentals	10,260	3,442
Depreciation of tangible fixed assets	540,664	536,701
Property transfer to Local Authority	-	4,880,981
Fees paid to auditors for:		
- audit	8,140	7,540
- other services	5,740	5,280
	8,880	12,820
	8,880	12,820

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

10. Central services

The academy trust has provided the following central services to its academies during the year:

- Management
- Administration staff
- Staff indirect expenses
- Learning improvement and educational support
- Office and administration support
- Professional services and support costs
- Premises costs
- Identifiable "one-off" costs
- Infrastructure development costs
- Capital costs

The academy trust charges for these services on the following basis:

Blenheim Park Academy - 14% (2021: 14%)

Greenpark Academy (formerly St Edmund's Academy) - 29% (2021: 28%)

Reffley Academy - 57% (2021: 58%)

These rates have been chosen by the Trust Board to apportion charges bases on ratios that reflect the varying numbers on roll at each academy. The Trust Board will review and approve the methods of apportionment annually.

The actual amounts charged during the year were as follows:

	2022 £	2021 £
Blenheim Park Academy	50,107	45,431
Reffley Academy	112,440	188,212
Greenpark Academy (formerly St Edmund's Academy)	185,754	111,602
Total	<u>348,301</u>	<u>345,245</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	2,093,616	1,995,257
Social security costs	174,796	155,961
Pension costs	716,785	575,218
	<u>2,985,197</u>	<u>2,726,436</u>
Agency staff costs	12,502	21,706
Staff restructuring costs	-	327
	<u>2,997,699</u>	<u>2,748,469</u>

Staff restructuring costs comprise:

	2022 £	2021 £
Redundancy payments	-	327
	<u>-</u>	<u>327</u>

b. Staff numbers

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

	2022 No.	2021 No.
Teaching	30	28
Admin and support	72	73
Management	8	8
	<u>110</u>	<u>109</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

11. Staff (continued)

c. Higher paid staff

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

	2022	2021
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	1	1
	1	1

d. Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £119,207 (2021 £118,820).

Included in the above are employer's national insurance contributions of £11,219 (2021: £10,831) and employer pension contributions of £20,676 (2021: £20,676).

12. Trustees' remuneration and expenses

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

		2022	2021
		£	£
Lisa Cook, Chief Executive Headteacher	Remuneration	85,000 - 90,000	85,000 - 90,000
	Pension contributions paid	20,000 - 25,000	20,000 - 25,000

During the year, retirement benefits were accruing to 1 Trustees (2021 - 1) in respect of defined contribution pension schemes.

During the year ended 31 August 2022, expenses totalling £122 were reimbursed or paid directly to 1 Trustees (2021 - £NIL) for mileage costs.

13. 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 membership.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

14. Tangible fixed assets

	Freehold land and property £	Long-term leasehold land and property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2021	9,068,187	7,548,554	174,391	21,605	111,818	16,924,555
Additions	-	260,709	-	-	17,004	277,713
At 31 August 2022	<u>9,068,187</u>	<u>7,809,263</u>	<u>174,391</u>	<u>21,605</u>	<u>128,822</u>	<u>17,202,268</u>
Depreciation						
At 1 September 2021	153,426	1,094,993	28,386	7,930	68,461	1,353,196
Charge for the year	230,319	261,546	17,439	2,161	29,199	540,664
At 31 August 2022	<u>383,745</u>	<u>1,356,539</u>	<u>45,825</u>	<u>10,091</u>	<u>97,660</u>	<u>1,893,860</u>
Net book value						
At 31 August 2022	<u><u>8,684,442</u></u>	<u><u>6,452,724</u></u>	<u><u>128,566</u></u>	<u><u>11,514</u></u>	<u><u>31,162</u></u>	<u><u>15,308,408</u></u>
At 31 August 2021	<u><u>8,914,761</u></u>	<u><u>6,453,561</u></u>	<u><u>146,005</u></u>	<u><u>13,675</u></u>	<u><u>43,357</u></u>	<u><u>15,571,359</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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15. Debtors

	2022 £	2021 £
Due within one year		
VAT debtor	66,155	8,804
Prepayments and accrued income	108,708	110,141
	174,863	118,945
	174,863	118,945

16. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	158,998	3,834
Other taxation and social security	40,427	37,726
Other creditors	85,906	46,934
Accruals and deferred income	186,136	61,085
	471,467	149,579
	471,467	149,579
	2022 £	2021 £
Deferred income		
Deferred income at 1 September 2021	39,941	44,320
Resources deferred during the year	109,877	39,941
Amounts released from previous periods	(39,941)	(44,320)
	109,877	39,941
Deferred income at 31 August 2021	109,877	39,941

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals and Rates Rebate.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Funds - all funds	310,514	74,468	(78,144)	(13,986)	-	292,852
Restricted general funds						
General Annual Grant (GAG)	198,177	2,915,566	(2,716,077)	(84,705)	-	312,961
Rates reclaim	-	17,470	(17,470)	-	-	-
PE and Sport Premium	20,410	53,270	(73,680)	-	-	-
UIFSM	-	70,224	(70,224)	-	-	-
FSM Supplementary grant	5,000	-	(5,000)	-	-	-
Pupil Premium	-	234,342	(234,342)	-	-	-
Teacher pay grant	-	1,505	(1,505)	-	-	-
Teacher pension grant	-	4,252	(4,252)	-	-	-
COVID catch up premium	-	24,258	(16,210)	(8,048)	-	-
Other DfE/ESFA grants	-	63,563	(63,563)	-	-	-
CIF/DFC expenditure non capitalised	-	-	(35,962)	35,962	-	-
Other government grants	13,500	361,001	(374,501)	-	-	-
Income from other schools	200	-	(200)	-	-	-
Other Restricted Income	12,000	28,145	(40,145)	-	-	-
Pension reserve	(2,219,000)	-	(311,000)	-	1,954,000	(576,000)
	<u>(1,969,713)</u>	<u>3,773,596</u>	<u>(3,964,131)</u>	<u>(56,791)</u>	<u>1,954,000</u>	<u>(263,039)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Restricted fixed asset funds						
Fixed assets	15,557,054	-	(533,794)	181,976	-	15,205,236
DFC	16,841	19,121	-	(35,962)	-	-
CIF	-	213,718	-	(170,974)	-	42,744
Capital expenditure from GAG	14,305	-	(6,870)	95,737	-	103,172
	<u>15,588,200</u>	<u>232,839</u>	<u>(540,664)</u>	<u>70,777</u>	<u>-</u>	<u>15,351,152</u>
Total Restricted funds	<u>13,618,487</u>	<u>4,006,435</u>	<u>(4,504,795)</u>	<u>13,986</u>	<u>1,954,000</u>	<u>15,088,113</u>
Total funds	<u><u>13,929,001</u></u>	<u><u>4,080,903</u></u>	<u><u>(4,582,939)</u></u>	<u><u>-</u></u>	<u><u>1,954,000</u></u>	<u><u>15,380,965</u></u>

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

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure. The transfer from GAG relates to the contribution from GAG funding towards the purchase of capital assets during the period.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

Other DfE/ESFA Grants

This represents Pupil Premium, Rates reclaim, PE and Sports Grants, FSM supplementary grant, Teacher pay grant, Teacher pension grant, COVID catch up premium, Universal Infant Free School Meals and other income from DfE / ESFA received in the period. These funds are used to raise achievement and improve outcomes for pupils, or to provide support for pupils from low income families.

The COVID Catch-up Premium, is to be utilised to help pupils catch-up on missed learning, as a result of the impact of COVID.

Other Government Grants

This represents other funding from the government towards the provision of education.

Income from Other Schools

Income from other schools relates to reimbursements for the use of staff employed by the Trust and Trust facilities, by other schools.

Other Restricted Income

This represents funding received from other bodies towards a specific purpose.

Restricted Fixed Asset Funds

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

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

DfE/ESFA Capital Grants

Capital grants, are made up of Devolved Formula Capital which is received by the Trust to use to maintain and improve its buildings and facilities and Conditional Improvement Fund income to be used to improve buildings.

The total fixed asset funds are £15,351,152 at 31 August 2022, and the total fixed assets on the balance sheet are £15,308,408. The difference of £42,744 relates to accrued CIF funding where the expenditure has not yet been incurred.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds (continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted Funds						
Unrestricted funds	305,074	49,947	(44,507)	-	-	310,514
Restricted general funds						
General Annual Grant (GAG)	116,662	2,687,964	(2,605,474)	(975)	-	198,177
Rates reclaim	-	24,702	(24,702)	-	-	-
PE and Sport Premium	15,910	53,400	(48,900)	-	-	20,410
UIFSM	-	68,440	(68,440)	-	-	-
FSM Supplementary grant	-	19,350	(14,350)	-	-	5,000
Pupil Premium	-	194,494	(194,494)	-	-	-
Teacher pay grant	-	30,778	(30,778)	-	-	-
Teacher pension grant	-	86,968	(86,968)	-	-	-
COVID catch up premium	-	49,040	(49,040)	-	-	-
Other DfE/ESFA grants	-	637	(637)	-	-	-
Other government grants	50,785	242,869	(280,154)	-	-	13,500
Income from other schools	-	200	-	-	-	200
Other Restricted Income	11,800	4,698	(4,498)	-	-	12,000
CIF expenditure non capital	-	-	(424,569)	424,569	-	-
Pension reserve	(1,616,000)	-	(196,000)	-	(407,000)	(2,219,000)
	<u>(1,420,843)</u>	<u>3,463,540</u>	<u>(4,029,004)</u>	<u>423,594</u>	<u>(407,000)</u>	<u>(1,969,713)</u>

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17. Statement of funds (continued)

Restricted fixed asset funds

Fixed assets	11,732,823	4,328,906	(532,074)	27,399	-	15,557,054
DFC	26,921	19,239	(2,895)	(26,424)	-	16,841
CIF	184,601	239,968	-	(424,569)	-	-
Capital expenditure from GAG	20,223	-	(5,918)	-	-	14,305
	<u>11,964,568</u>	<u>4,588,113</u>	<u>(540,887)</u>	<u>(423,594)</u>	<u>-</u>	<u>15,588,200</u>
Total Restricted funds	<u>10,543,725</u>	<u>8,051,653</u>	<u>(4,569,891)</u>	<u>-</u>	<u>(407,000)</u>	<u>13,618,487</u>
Total funds	<u><u>10,848,799</u></u>	<u><u>8,101,600</u></u>	<u><u>(4,614,398)</u></u>	<u><u>-</u></u>	<u><u>(407,000)</u></u>	<u><u>13,929,001</u></u>

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Ad Meliora Trust	(68,907)	3,788
Blenheim Park Academy	19,568	60,756
Reffley Academy	299,356	284,092
Greenpark Academy (formerly St Edmund's Academy)	355,796	211,165
Total before fixed asset funds and pension reserve	<u>605,813</u>	<u>559,801</u>
Restricted fixed asset fund	15,351,152	15,588,200
Pension reserve	(576,000)	(2,219,000)
Total	<u><u>15,380,965</u></u>	<u><u>13,929,001</u></u>

The Trust budget is overspent in the year ended 31 August 2022 due to unexpected, high legal costs together with professional services being purchased at Trust level for academies. In addition, the LGPS deficit was coded to the Trust for each academy. We propose increasing the central service charges for each academy for the year ended 31 August 2023. We have a budget revision in January 2023 and will decide whether to allocate funds at Trust level for the pension deficit or to also split this out across the three academies. Monthly monitoring of budgets takes place for each academy and this will also be carried out at Trust level too to prevent overspend in the future.

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17. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
Ad Meliora Trust	134,667	105,981	55	182,332	423,035	558,676
Blenheim Park Academy	300,760	88,012	68,717	112,031	569,520	767,109
Reffley Academy	1,044,119	267,445	167,908	232,340	1,711,812	1,696,666
Greenpark Academy (formerly St Edmund's Academy)	717,183	191,971	204,975	223,779	1,337,908	1,053,955
Academy trust	<u>2,196,729</u>	<u>653,409</u>	<u>441,655</u>	<u>750,482</u>	<u>4,042,275</u>	<u>4,076,406</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	15,308,408	15,308,408
Current assets	292,852	784,428	42,744	1,120,024
Creditors due within one year	-	(471,467)	-	(471,467)
Provisions for liabilities and charges	-	(576,000)	-	(576,000)
Total	<u>292,852</u>	<u>(263,039)</u>	<u>15,351,152</u>	<u>15,380,965</u>

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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	15,571,359	15,571,359
Current assets	310,514	398,866	16,841	726,221
Creditors due within one year	-	(149,579)	-	(149,579)
Provisions for liabilities and charges	-	(2,219,000)	-	(2,219,000)
Total	<u>310,514</u>	<u>(1,969,713)</u>	<u>15,588,200</u>	<u>13,929,001</u>

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

	2022 £	2021 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(502,036)	3,487,202
Adjustments for:		
Depreciation	540,664	537,991
Capital grants from DfE and other capital income	-	259,207
Defined benefit pension scheme cost less contributions payable	273,000	167,000
Defined benefit pension scheme finance cost	38,000	29,000
(Increase)/decrease in debtors	(55,315)	62,400
(Decrease)/increase in creditors	321,888	(268,575)
Property transfer to Local Authority	-	4,880,982
Net cash provided by operating activities	<u>616,201</u>	<u>9,155,207</u>

20. Cash flows from investing activities

	2022 £	2021 £
Purchase of tangible fixed assets	(277,713)	(9,237,286)
Capital grants from DfE Group	(603)	71,239
Net cash used in investing activities	<u>(278,316)</u>	<u>(9,166,047)</u>

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21. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	945,161	607,276
Total cash and cash equivalents	945,161	607,276

22. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	607,276	337,885	945,161
	607,276	337,885	945,161

23. Pension commitments

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 Norfolk County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £85,860 were payable to the schemes at 31 August 2022 (2021 - £46,889) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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23. Pension commitments (continued)

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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £294,080 (2021 - £269,650).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £189,000 (2021 - £173,000), of which employer's contributions totalled £150,000 (2021 - £137,000) and employees' contributions totalled £ 39,000 (2021 - £36,000). The agreed contribution rates for future years are 21.0 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

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NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

Principal actuarial assumptions

	2022 %	2021 %
Rate of increase in salaries	3.75	3.60
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	3.05	2.90
Commutation of pensions to lump sums	50.00	50.00

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

	2022 Years	2021 Years
Retiring today		
Males	21.7	21.9
Females	24.1	24.3
Retiring in 20 years		
Males	22.9	23.2
Females	26	26.2

As at the 31 August 2022 the Trust had a pension liability of £576,000 (2021: £2,219,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined obligation in the following way;

Sensitivity analysis

	2022 £000	2021 £000
Discount rate +0.1%	(9,412)	(99,086)
Discount rate -0.1%	9,412	99,086
Mortality assumption - 1 year increase	18,824	30,488
Mortality assumption - 1 year decrease	(18,824)	(30,488)
CPI rate +0.1%	9,412	91,464
CPI rate -0.1%	(9,412)	(91,464)

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23. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	870,730	811,920
Bonds	657,490	541,280
Property	213,240	175,120
Cash	35,540	63,680
Total market value of assets	1,777,000	1,592,000

The actual return on scheme assets was £19,000 (2021 - £239,000).

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

	2022 £	2021 £
Current service cost	(423,000)	(304,000)
Interest income	28,000	22,000
Interest cost	(66,000)	(51,000)
Total amount recognised in the Statement of Financial Activities	(461,000)	(333,000)

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

	2022 £	2021 £
At 1 September	3,811,000	2,817,000
Current service cost	423,000	304,000
Interest cost	66,000	51,000
Employee contributions	39,000	36,000
Actuarial (gains)/losses	(1,963,000)	624,000
Benefits paid	(23,000)	(21,000)
At 31 August	2,353,000	3,811,000

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23. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	1,592,000	1,201,000
Interest income	28,000	22,000
Actuarial (losses)/gains	(9,000)	217,000
Employer contributions	150,000	137,000
Employee contributions	39,000	36,000
Benefits paid	(23,000)	(21,000)
At 31 August	1,777,000	1,592,000

24. Operating lease commitments

At 31 August 2022 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Amounts payable for other leases		
Not later than 1 year	1,530	2,252
Later than 1 year and not later than 5 years	-	722
	1,530	2,974
Amounts payable for land and buildings		
Within 1 year	-	7,200
Between 1 and 5 years	-	13,800
	-	21,000

25. Members' liability

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

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26. Related party transactions

Owing to the nature of the academy trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Ad Meliora Academy Trust agreed to lease office space from the 1 September 2020, from Freebridge Community Housing where the Trustee, Andrew Walder is a Director and part-time Chair. This lease was made on normal commercial terms and conditions. The total rent paid in the year to 31 August 2022 was £6,948 (2021: £5,000). The lease ended on 19th July 2022. At the year end, no monies were due to Freebridge Community Housing (2021: £Nil).

In addition to this, certain trustees received remuneration and expenses which are disclosed in note 12.

No other related party transactions have occurred in the year ended 31 August 2022.