

**AD MELIORA ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**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**

<b>Members</b>	Alexander Robinson, Chair of Members Alan Hayes Georgina Holloway Valerie Woods (appointed 15 July 2020)
<b>Trustees</b>	Karl Jermyn, Chair of Trustees Andrew Walder, Vice Chair Sophie Bates (resigned 4 November 2019) Lisa Cook Dorothy Pulsford-Harris Richard Curtis (appointed 11 December 2019) William Mollison
<b>Company registered number</b>	10270029
<b>Company name</b>	Ad Meliora Academy Trust
<b>Principal and registered office</b>	St Edmund's Academy Kilham's Way Kings Lynn PE30 2HU
<b>Company secretary</b>	Barbara Kimpton
<b>Senior management team</b>	Lisa Cook, Chief Executive Headteacher
<b>Independent auditors</b>	Price Bailey LLP Chartered Accountants Anglia House, 6 Central Avenue St Andrews Business Park Thorpe St Andrew Norwich Norfolk NR7 0HR
<b>Bankers</b>	Santander Bridle Road Bootle Merseyside L30 4GB
<b>Solicitors</b>	Duncan Pickering 4 Southfields Bourne Lincolnshire PE10 9TZ

**AD MELIORA ACADEMY TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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The Trustees present their Annual Report together with the financial statements and Auditor's Report of Ad Meliora Multi Academy Trust (The Trust or the Charitable Company) for the period from 1 September 2018 to 31 August 2020. 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 Academies serving a catchment area in West and North West Norfolk. The Academies have a combined capacity of 889 and had a roll of 653 in the 2020 census (21.1.20).

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 its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee and Director are interchangeable. The Charitable Company includes the following Academies:

- St Edmund's Academy converted and joined the Trust on 1 October 2016
- Blenheim Park Academy converted and joined the Trust on 1 March 2017
- 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 Finance Committee. The Trust has established Local Governing Bodies which are made up of community stakeholders. The committee has delegated authority to focus on teaching and learning.

Details of the Trustees who served throughout the period are included in the Reference and Administrative Details section. Within this report the term Trustee refers to a member of the MGB and the term Governor to a member of the Local Governing Body. Details of the Trustees who served during the period are included in the Reference and Administrative Details section.

#### **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 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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Structure, governance and management (continued)**

**d. Method of recruitment and appointment or election of Trustees**

When new Trustees were appointed in the year, the Board agreed an appropriate process and criteria for the recruitment based on the skill and capability requirements of the Board, governance and good practice for multi academy trusts, and the requirements of the Trust's governing documents. During the financial year the Board identified one suitable candidate for the Trustee posts; the recommendation was presented to members who made the final appointment.

Trustees are briefed regularly by the executive team on educational development areas such as policy and other academy matters through board meetings which are held every 2 months, site visits and circulating appropriate papers. They are all individuals with experience of education and business management in other organisations. Induction for new Trustees is reviewed at the time of appointment according to their experience and knowledge.

**Local Governing Body:**

The Board has established a Local Governing Body in each academy that works under the overall direction of the trustees and across all academies within the MAT. 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. Three governors are parents, community representatives, a member of staff, the academy Headteacher, three members are academy headteachers and two members are 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 links with a number of local training providers. New Trustees and committee members are required to undertake training through an 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)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**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. There is a scheme of delegation in place which sets out what matters are reserved for the MAT and what is delegated to the Chief Executive Headteacher and senior management in the academies and local boards.

The Board of Trustees 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 and senior staff appointments. Matters delegated to the Chief Executive Headteacher include (among others) developing and implementing an appropriate curriculum, setting appropriate performance targets and completing annual reviews. The Board of Trustees, meets on at least 4 occasions per year and its 1 sub committee (Finance, Pay and Personnel) at least 3 times per year. The details of which are minuted.

The committee members within the Local Governing Body are responsible for holding the Academy Headteachers to account for the quality and improvement of teaching and learning. Where there is a requirement, the committee members may make recommendations to the main Board of Trustees for changes in annual budgets and expenditure.

Each Senior Leadership Team (SLT) controls the Academies at an operational level implementing policies and reporting to the CEH and the 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 authorisation of spending within agreed budgets and for the appointment of staff through an approved business case using the Trust vetting and safeguarding recruitment processes.

The Trust's CEH is the Accounting Officer.

**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. This is currently considered to the Chief Executive Headteacher only.

The Trustees have approved a pay and remuneration policy that is based on the Academy group size (ISR) and the pay scales for each role. 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 sub committee and ratified by the Board of Trustees.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**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 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 members of the Board of Trustees 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 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:

- St Nicholas Chapel, King's Lynn
- The Fire Station
- The College of West Anglia
- West Norfolk Borough Council
- Churchill Park Additional Needs School
- King's Lynn Constabulary
- GenR8
- King's Lynn Rotary Club
- Mars UK, King's Lynn (Schools Grounds Project).
- Tescos, King's Lynn
- The Forestry Commission

The Trust does not have a formal sponsor.

**i. Trade Union Facility Time**

Trade union services were outsourced to Norfolk County Council at a cost of £1,996 (2019: £2,114) to the Trust in the year ended 31 August 2020.

**Objectives and activities**

**a. Objects and aims**

The principal object and aim of the Charitable Company is the operation of a number of Academies to provide free education and care for pupils of different abilities within its local community between the ages of 3 and 11.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Objectives and activities (continued)**

**b. Objectives, strategies and activities**

The principle objective and activity of the Academy Trust in the period was to raise outcomes for all children. In light of the Covid pandemic, the Trust was committed to providing Covid safe and secure childcare and extended opening for all eligible pupils.

In the first half of the academic year, the strategic aim was to develop and implement academy specific curriculums that met the needs of the pupils. The Trust executive leadership team has focussed on developing and holding leaders to account (at all levels) to ensure that energy and resources are targeted at improving outcomes for all children.

In the second half of the academic year, Trust leaders followed government guidance and put in place provision to meet the needs of the communities served by the academies - extended childcare for key worker families; remote learning and feedback; emotional support and food parcels.

Recruitment of quality staff has enabled capacity across the Trust. This has been used effectively at a local and cross MAT level and has enabled the Trust to respond quickly where assistance and cover is required.

The executive leadership team operates a conservative budget ensuring the academies within the Trust work to tightly controlled budget limits.

During the period the Trust has worked towards the following aims:

- All academies will be judged as at least good by OFSTED under the new framework;
- All teaching within our academies will be good or better;
- Progress and attainment in our academies will be at least good;
- All academies will have a safe Covid environment and will be able to provide all eligible children with childcare.
- Our academies will demonstrate excellent leadership, including leadership at a Trustee and Local Governing Body, and this will be shared across academies;
- Our academies will be able to accurately self evaluate and will have a culture of continuous improvement and high aspirations;
- High quality CPD for Directors and staff will mean our academies will attract and retain high quality staff;
- the Trust will be financially solvent, have reserves and submit three year financial plans that are realistic, robust and do not produce an overall deficit financial position;
- The Trust will comply with all statutory regulations and have a clean annual audit report.

Our success in fulfilling our aims can be measured by:

- As a result of the Covid pandemic, end of year assessments did not take place so there are no external outcomes. Each academy can evidence progress over time based on teacher assessment and internal testing arrangements.
- In January 2020, Blenheim was inspected and received a 'requires improvement' judgement overall with 'good' for leadership and management, behaviour and attitudes and personal development. The academy was previously judged as 'inadequate' in June 2016.
- All three academies within the Trust remained open throughout the lockdown and were ready for extended opening in early June as directed by the government. Systems in place were rigorous and there were no positive cases of Covid-19.
- The Pupil Outcome and Well being committee has been replaced with Local Governing Bodies so that there is greater focus at an academy level. Recruitment has been successful and meetings are quorate.
- The Trust is financially solvent, has reserves and has submitted a three year financial plan that is realistic.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Objectives and activities (continued)**

The academies within our Trust are situated in West and North West Norfolk. We are committed to providing staff with opportunities to collaborate and work together and therefore see the West and North West areas of the County to be our core focus areas. Longer term, we are interested in working with additional schools/academies in North West Norfolk to establish a partner academy for Blenheim Park to address the geographic isolation of this academy.

A key aim of the Trust is for our academies to be safe and high performing. We accept that each academy is at a different place along its journey of improvement, and we will work collaboratively to achieve our aim.

**c. Public benefit**

The Trustees believe that by working towards the aims and objectives of the Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

**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 pupils in suitable progression when they left their Academy. Specific achievements were as follows:

- Supported Reffley Academy through leadership absence. Established stability and coached staff at all levels to make informed decisions and fulfil their job roles;
- Self assessment and external review outcomes demonstrate that leaders can evidence improvements and are working towards a 'good' judgement.

Each academy remained open throughout lockdown, providing childcare for key worker pupils, including extended hours (8-6pm) where the need was greatest. The Trust provided childcare throughout the Easter break and May bank holiday.

Each academy successfully opened for extended opening in early June – accommodating close to 300 pupils until the end of the summer term.

Through partnership with an external provider, the Trust established childcare for key worker families throughout the summer break.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Strategic report (continued)**

**Achievements and performance (continued)**

**a. Key performance indicators**

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

As funding is based on pupil numbers this is a key performance indicator. Total pupil numbers for 2020 were 653 (as at the census on 02.01.2020). We are mindful that this is 19 children fewer than in 2018-19 and 42 less children than in 17-18. The Trust has experienced low Reception intake numbers at Reffley Academy.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2019-20 this percentage is 67.9% (2019: 74.9%). The Trustees are confident that staffing levels are closely monitored to agreed Full Time Equivalents and staffing structures all approved by the Board of Trustees.

The Finance, Pay and Personnel committee 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 of Trustees.

**b. Going concern**

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

**Financial review**

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 period ended 31 August 2020 the Trust received £3,908,435 (2019: £3,539,497) of 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 £4,347,225 (2019: £4,079,182) on expenditure. The Trust brought forward from 18/19 £118,434 in restricted funding (excluding the pension deficit), and £317,379 of unrestricted funding. The carry forward for 19/20 is £195,157 restricted funding (excluding the pension deficit), and £305,074 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £1,616,000 (2019: £1,272,000 deficit). 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.

The Covid-19 pandemic has been a significant event in 19-20. The Trust incurred additional expenditure during the second half of the financial year. Claims were submitted to the Government and accepted for the additional costs (premises, Free School Meals and cleaning). Covid-19 has not had a significant effect on our financial performance or position at the end of the financial year.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Strategic report (continued)**

**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 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 £305,074 (2019: £317,379). This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

The Trust aims to hold £224,000 (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 2020 was £500,231 (2019: £435,813).

The cash balance of the Trust has been healthy all period, ending the period with a balance of £618,116 (2019: £618,787). 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 purpose of this policy is to ensure that any surplus funds are invested well so that they achieve the best financial returns with the minimum risk. Good financial returns mean that more money can be spent on educating pupils.

Adequate cash balances must be maintained to ensure that there are always sufficient funds in the Trust's current account to cover financial commitments such as payroll and day to day expenses. If there is a surplus of funds after all financial commitments have been considered, this surplus will be invested. The Chief Executive Headteacher and Trust Business Manager will compare alternative investment opportunities every twelve months to ensure that the Trust's funds achieve the best interest rates. The CEH is responsible for ensuring that this policy is adhered to.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**c. Principal risks and uncertainties**

The Trust has an overarching risk register. Trustees review the risk register as a standing agenda item at each full Trustee meeting. The central risk register identifies the major risks, to which each Academy is exposed, and identifying actions and procedures to mitigate those risks. The internal control systems and the exposure to identified risks are monitored on behalf of the Trustees at each Director meeting. The principal risks facing the Trust are outlined below; those facing the Academies 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 are in the process of being implemented 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 small group of academies, the level of financial risk is medium. Within reason, we are able to forecast cash flows. Staff costs make up the majority of expenditure and we have systems in place to cover such items as sickness and maternity.

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

- Each Academy within the Trust has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- 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 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 behaviour management;
- Staffing - the success of the Academies is reliant on the quality of its staff and the Trustees monitor and review policies, procedures and recruitment to ensure continued development and training of staff. Trustees have addressed the need for succession planning;
- 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;
- Financial - the current financial risks which the Multi Academy Trust faces are the uncertainty around pupil numbers at Reffley Academy. This will have an impact on cash flow and reserves. Staffing has been amended to reflect the reduced income;
- Defined benefit pension liability - as the Government has agreed to meet the defined benefit pension liability of any Academy ceasing to exist the main risk to the Trust is an 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 2020**

- Fraud and management of funds - the Academy Trust has a team of back office staff to ensure that processes are completed in a timely manner. The Trustees have established a Finance and Personnel committee to oversee the financial management of the Trust. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area. A professional accountant has been appointed to provide on going support.

The Trustees have established and developed systems and procedures to ensure staff awareness in order to strengthen its risk management process.

**Fundraising**

Prior to the national lockdown, the Academy Trust held small fundraising events during the year including fayres, discos, fun runs, exhibitions and cake sales. The Academy 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.

Fundraising activity is monitored by the Trust via income and expenditure sheets to ensure proper accounting is observed.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Plans for future periods**

The Academy Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy Trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives. The Academy Trust will continue to work with partner schools and academies to improve the educational opportunities for pupils in the wider community. The Academy Trust will continue to promote a wide range of extra curricular activities and seek to increase pupil engagement in these activities. The Trustees will only consider further expansion of the Trust where there is sufficient capacity to ensure Trust aims and objectives can be achieved.

St Edmund's being reborn as Greenpark Academy is a major event due to take place in January 2021. The new school has been built and furnished by Norfolk County Council in exchange for the freehold of the St Edmund's current site. This provides capacity for double the current number of pupils as well as establishing 'state of the art' premises.

Since the year end, the Trust has received further income for the successful CIF funding bid to replace the roof at Blenheim Park.

**2020-21**

- Continue to manage a Covid secure working and learning environment.
- Continue to manage a flexible and responsive approach to manage learning from home in the event of self-isolation and/or local lockdown.
- Successfully manage the move from St Edmund's to Greenpark Academy so that disruption to learning is kept to a minimum.
- Establish a robust catch up programme to address gaps in learning following the March 23rd Government led school and academy closures.
- Ensure readiness for Reffley Academy OFSTED inspection.
- Continue to strengthen outcomes across the Trust
- Improve outcomes for children who are eligible for Pupil Premium funding.
- Develop our 'growing teachers' programme to provide good quality teachers to the Trust.

**2021-22**

- Continue to strengthen outcomes across the Trust
- Improve outcomes for children who are eligible for Pupil Premium funding.
- Develop our 'growing teachers' programme to provide good quality teachers to the Trust.
- Ensure readiness for St Edmund's and Blenheim Park Academy OFSTED inspections.

**Funds held as custodian on behalf of others**

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

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**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
- that Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are 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 22 January 2021 and signed on its behalf by:

**Karl Jermyn**  
Chair of Trustees

**AD MELIORA ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

**Scope of responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that 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 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.

**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
Sophie Bates	0	1
Lisa Cook	6	6
Dorothy Pulsford-Harris	5	6
Richard Curtis	4	4
William Mollison	3	6

**Review of year:**

- As a result of the Covid pandemic, end of year assessments did not take place so there are no external outcomes. Each academy can evidence progress over time based on teacher assessment and internal testing arrangements.
- In January 2020, Blenheim was inspected and received a 'requires improvement' judgement overall with 'good' for leadership and management, behaviour and attitudes and personal development. The academy was previously judged as 'inadequate' in June 2016.
- All three academies within the Trust remained open throughout the lockdown and were ready for extended opening in early June as directed by the government. Systems in place were rigorous and there were no positive cases of Covid-19.
- The Pupil Outcome and Well being committee has been replaced with Local Governing Bodies so that there is greater focus at an academy level. Recruitment has been successful and meetings are quorate.
- Through rigorous selection and performance management, the Trust has had the capacity to respond timely to areas of need.
- Building work has progressed well for the new school for St Edmund's with an anticipated completion date of December 2020.
- The Trust is financially solvent, has reserves and has submitted a three year financial plan that is realistic.



**AD MELIORA ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

**Governance reviews:**

Although there has not been a formal review of governance, the Board has reviewed the way that it operates and restructured to ensure that it is fulfilling the duties required.

The Board is led by an experienced and effective Chair who is well supported by all Trustees within the Board.

Trustees can evidence that they work strategically and collaboratively and are assiduous at holding leaders to account for performance at all levels.

A sensible and effective committee structure has been established that ensures Trustees can fulfil their legal responsibilities.

The Trust has established Local Governing Bodies to enable greater focus at a local level. The committee works under the direction of the Trustees, with the specific focus on safeguarding, pupil outcomes and community engagement. The committees are proactive and have undertaken training and monitoring linked to the specific areas of focus, for example Reading. Attendance at each committee is good and Trustees can evidence that Academy Leaders are both held to account and supported.

The Finance, Pay and Personnel Committee is a sub-committee of the main board of trustees. Its purpose is set out below:

- The Board of Directors delegates responsibility for the Financial Management of the Trust to the Finance, Pay and Personnel Committee.
- The Finance, Pay and Personnel Committee to provide guidance and assistance to the Chief Executive Headteacher and Trust Board in all matters relating to budgeting, finance and pay.
- Agreeing the mechanism of staff appraisal.
- Monitoring the staff appraisal
- All matters relating to staff pay progression (excluding the Chief Executive Headteacher and Academy Headteachers).

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Lisa Cook	3	3
Richard Curtis	1	2
Karl Jermyn	3	3
Dorothy Pulsford-Harris	2	3
William Mollison	1	3
Andrew Walder	3	3

**AD MELIORA ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

The Audit Committee is also a sub-committee of the main Board of Trustees. Its purpose is to provide oversight of the financial reporting process, the audit process, the Trust's system of internal controls and compliance with laws and regulations.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Lisa Cook	1	1
Karl Jermyn	1	1
Dorothy Pulsford-Harris	1	1
William Mollison	1	1
Andrew Walder	1	1

**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:

- Sickness cover has been reviewed and a revised in house system has been established. This has been successful; there has been sufficient funds to cover the sickness and the underspend was carried forward to 20-21.
- As old contracts have come to an end, where possible, we have sourced contracts at a Trust level (as opposed to an academy level); have tested the market through research and tendering to procure contracts that are cheaper and/or provide a better service.
- 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.

**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 Ad Meliora Academy Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

**AD MELIORA ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 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 are reviewed and agreed by the board of trustees;
- regular reviews by the Finance, Pay and Personnel committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has decided to employ Educator Solutions as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. Internal scrutiny by Educator Solutions has been affected by Covid-19. However, the checks carried out in the current period included:

- A review of Trustee information to ensure that it is accurate and up to date on all statutory portals
- To check that statutory information and policies are published on the Trust website
- To ensure finance and associated policies and schemes are up to date and meet the requirements
- To undertake a governance check to ensure that the top ten 'musts' are being met
- Review of monthly management accounts for compliance, timing and content
- Review of Trustee minutes for evidence of good value, proper procurement process and links to the Trust Development Plan
- Review of Risk Register and Business Continuity Plans/Critical Incident Plan.

On an annual basis, the internal auditor reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities and annually prepares a short annual 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.

**AD MELIORA ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**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 work of the external auditors;
- the financial management and governance self-assessment process;
- 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 accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 22 January 2021 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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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: 22 January 2021

**AD MELIORA ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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 2019 to 2020;
- 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 22 January 2021 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 2020 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 2019 to 2020 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 2020 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 2019 to 2020 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**

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**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 Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Trustees' Report (including the Strategic Report and Directors' Report), the Governance Statement and the Accounting Officer's Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

- the information given in the Trustees' Report 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.



**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)**

**Responsibilities of trustees**

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

**Auditors' responsibilities for the audit of the financial statements**

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

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

**Use of our report**

This report is made solely to the academy 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

25 January 2021

**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 2019 to 2020, 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 2019 to 31 August 2020 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 Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 Academies Accounts Direction 2019 to 2020 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 2019 to 31 August 2020 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: 25 January 2021

**AD MELIORA ACADEMY TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>						
Donations and capital grants	4	-	29,746	512,115	541,861	79,777
Charitable activities	5	27,462	3,314,924	-	3,342,386	3,410,221
Other trading activities	6	23,904	-	-	23,904	49,103
Investments	7	284	-	-	284	396
<b>Total income</b>		<u>51,650</u>	<u>3,344,670</u>	<u>512,115</u>	<u>3,908,435</u>	<u>3,539,497</u>
<b>Expenditure on:</b>						
Charitable activities	8	63,955	3,744,957	538,313	4,347,225	4,079,182
<b>Total expenditure</b>		<u>63,955</u>	<u>3,744,957</u>	<u>538,313</u>	<u>4,347,225</u>	<u>4,079,182</u>
<b>Net expenditure</b>		<u>(12,305)</u>	<u>(400,287)</u>	<u>(26,198)</u>	<u>(438,790)</u>	<u>(539,685)</u>
Transfers between funds	18	-	308,010	(308,010)	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<u>(12,305)</u>	<u>(92,277)</u>	<u>(334,208)</u>	<u>(438,790)</u>	<u>(539,685)</u>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	24	-	(175,000)	-	(175,000)	(341,000)
<b>Net movement in funds</b>		<u>(12,305)</u>	<u>(267,277)</u>	<u>(334,208)</u>	<u>(613,790)</u>	<u>(880,685)</u>
<b>Reconciliation of funds:</b>						
Total funds brought forward		317,379	(1,153,566)	12,298,776	11,462,589	12,343,274
Net movement in funds		(12,305)	(267,277)	(334,208)	(613,790)	(880,685)
<b>Total funds carried forward</b>		<u>305,074</u>	<u>(1,420,843)</u>	<u>11,964,568</u>	<u>10,848,799</u>	<u>11,462,589</u>

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

The notes on pages 30 to 55 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	15	11,753,046	12,291,359
<b>Current assets</b>			
Debtors	16	511,791	70,720
Cash at bank and in hand		618,116	618,787
		1,129,907	689,507
Creditors: amounts falling due within one year	17	(418,154)	(246,277)
<b>Net current assets</b>		711,753	443,230
<b>Total assets less current liabilities</b>		12,464,799	12,734,589
<b>Net assets excluding pension liability</b>		12,464,799	12,734,589
Defined benefit pension scheme liability	24	(1,616,000)	(1,272,000)
<b>Total net assets</b>		10,848,799	11,462,589
<b>Funds of the academy trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	18	11,964,568	12,298,776
Restricted income funds	18	195,157	118,434
		12,159,725	12,417,210
Restricted funds excluding pension asset	18	12,159,725	12,417,210
Pension reserve	18	(1,616,000)	(1,272,000)
<b>Total restricted funds</b>	18	10,543,725	11,145,210
<b>Unrestricted income funds</b>	18	305,074	317,379
<b>Total funds</b>		10,848,799	11,462,589

The financial statements on pages 27 to 55 were approved by the Trustees, and authorised for issue on 22 January 2021 and are signed on their behalf, by:

**Karl Jermyn**  
Chair of Trustees

The notes on pages 30 to 55 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 2020**

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	20	(83,806)	(201,457)
<b>Cash flows from investing activities</b>	21	83,135	(176,806)
<b>Change in cash and cash equivalents in the year</b>		(671)	(378,263)
Cash and cash equivalents at the beginning of the year		618,787	997,050
<b>Cash and cash equivalents at the end of the year</b>	22, 23	<u>618,116</u>	<u>618,787</u>

The notes on pages 30 to 55 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 2020**

**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: St Edmund's Academy, Kilham's Way, Kings Lynn, Norfolk, England, PE30 2HU.

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 2019 to 2020 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.

During the year, the Academy Trust has been affected to a limited extent by restrictions imposed by the UK Government in response to the COVID-19 pandemic.

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 2020**

**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.

• **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.

**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 2020**

**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 35 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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**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.

*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 2020**

**2. Accounting policies (continued)**

**2.14 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.

Investment income, gains and losses are allocated to the appropriate fund.

**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 24, 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 2020. 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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**4. Income from donations and capital grants**

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	29,746	-	29,746	20,318
Capital Grants	-	512,115	512,115	59,459
	<u>29,746</u>	<u>512,115</u>	<u>541,861</u>	<u>79,777</u>
Total 2019	<u>20,318</u>	<u>59,459</u>	<u>79,777</u>	

In 2019, the donations were restricted and capital grants related to the fixed asset fund.

**5. Funding for the academy trust's provision of education**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	2,713,268	2,713,268	2,828,972
Other DfE/ESFA grants	-	390,387	390,387	383,843
	<u>-</u>	<u>3,103,655</u>	<u>3,103,655</u>	<u>3,212,815</u>
<b>Other government grants</b>				
Local authority grants	-	209,659	209,659	139,435
	<u>-</u>	<u>209,659</u>	<u>209,659</u>	<u>139,435</u>
<b>Other funding from the academy trust's educational operations</b>				
Catering income	20,577	-	20,577	30,784
Payments from other schools	-	206	206	2,100
Other income	6,885	1,404	8,289	25,087
	<u>27,462</u>	<u>1,610</u>	<u>29,072</u>	<u>57,971</u>
	<u>27,462</u>	<u>3,314,924</u>	<u>3,342,386</u>	<u>3,410,221</u>
Total 2019	<u>44,406</u>	<u>3,365,815</u>	<u>3,410,221</u>	

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**5. Funding for the academy trust's provision of education (continued)**

In 2019, all income from DfE/ESFA grants and other government grants was restricted. Catering income was unrestricted and payments from other schools were restricted. Other income totalling £25,087 was split as follows: £13,622 unrestricted and £11,465 restricted.

**6. Income from other trading activities**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Catering income from duty meals	3,657	3,657	4,718
Rental income	7,975	7,975	18,387
Other income	12,272	12,272	25,998
	<u>23,904</u>	<u>23,904</u>	<u>49,103</u>
Total 2019	<u>49,103</u>	<u>49,103</u>	

**7. Investment income**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	284	284	396
	<u>396</u>	<u>396</u>	
Total 2019	<u>396</u>	<u>396</u>	

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**8. Expenditure**

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Provision of Education:					
Direct costs	2,338,917	-	117,383	2,456,300	2,467,602
Allocated support costs	350,461	533,636	1,006,828	1,890,925	1,611,580
	<u>2,689,378</u>	<u>533,636</u>	<u>1,124,211</u>	<u>4,347,225</u>	<u>4,079,182</u>
Total 2019	<u>2,651,052</u>	<u>754,617</u>	<u>673,513</u>	<u>4,079,182</u>	

In 2019, direct costs consisted of £2,284,733 staff costs and £182,869 other costs.

In 2019, allocated support costs consisted of £366,319 staff costs, £754,617 premises costs and £490,644 other costs.

In 2020, £63,955 of expenditure related to unrestricted funds (2019: £100,170), £3,744,957 related to restricted funds (2019: £3,441,882) and £538,313 related to restricted fixed asset funds (2019: £537,190).

**9. Charitable Activities**

	2020 £	2019 £
Direct costs - educational operations	2,456,300	2,467,602
Support costs - educational operations	1,890,925	1,611,580
	<u>4,347,225</u>	<u>4,079,182</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Analysis of support costs**

	2020 £	2019 £
Support staff costs	350,461	366,319
Depreciation	538,313	537,190
Technology costs	14,139	32,235
Premises costs	533,636	244,469
Legal costs - on conversion	-	-
Legal costs - other	4,040	149,993
Other support costs	432,776	276,284
Governance costs	17,560	5,090
	<u>1,890,925</u>	<u>1,611,580</u>

**10. Net expenditure**

Net expenditure for the year includes:

	2020 £	2019 £
Operating lease rentals	3,442	1,946
Depreciation of tangible fixed assets	538,313	537,190
Fees paid to auditors for:		
- audit	7,015	6,810
- other services	6,380	4,590
	<u>6,380</u>	<u>4,590</u>



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**11. 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% (2019: 10%)

St Edmund's Academy - 28% (2019: 30%)

Reffley Academy - 58% (2019: 60%)

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:

	2020 £	2019 £
Blenheim Park Academy	51,016	31,397
Reffley Academy	211,351	188,384
St Edmund's Academy	102,031	94,192
<b>Total</b>	<u>364,398</u>	<u>313,973</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**12. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	1,971,638	2,022,206
Social security costs	158,444	164,477
Pension costs	535,756	416,744
	<u>2,665,838</u>	<u>2,603,427</u>
Agency staff costs	2,215	10,495
Staff restructuring costs	21,325	37,130
	<u>2,689,378</u>	<u>2,651,052</u>

Staff restructuring costs comprise:

	2020 £	2019 £
Redundancy payments	21,325	23,995
Severance payments	-	13,135
	<u>21,325</u>	<u>37,130</u>

**b. Staff numbers**

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

	2020 No.	2019 No.
Teaching	32	35
Admin and support	68	69
Management	6	6
	<u>106</u>	<u>110</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**12. Staff (continued)**

**c. Higher paid staff**

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

	2020	2019
	No.	No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	2	-
	2	-

**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 £113,947 (2019 £98,445).

Included in the above are employer's national insurance contributions of £10,355 (2019: £9,378) and employer pension contributions of £19,834 (2019: £12,601).

**13. 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:

		2020	2019
		£	£
Lisa Cook, Chief Executive Headteacher	Remuneration	80,000 - 85,000	75,000 - 80,000
	Pension contributions paid	15,000 - 20,000	10,000 - 15,000

During the year, retirement benefits were accruing to 1 Trustees (2019 - 1) in respect of defined contribution pension schemes.

During the year ended 31 August 2020, expenses totalling £216 were reimbursed or paid directly to 1 Trustee (2019 - £104 to 1 Trustee) for mileage costs.

**14. 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 2020**

**15. Tangible fixed assets**

	Freehold land and property £	Long-term leasehold land and property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
<b>Cost or valuation</b>						
At 1 September 2019	5,755,261	7,548,554	63,467	23,887	77,263	13,468,432
At 31 August 2020	<u>5,755,261</u>	<u>7,548,554</u>	<u>63,467</u>	<u>23,887</u>	<u>77,263</u>	<u>13,468,432</u>
<b>Depreciation</b>						
At 1 September 2019	555,666	571,902	10,248	4,274	34,983	1,177,073
Charge for the year	248,602	261,546	6,347	2,389	19,429	538,313
At 31 August 2020	<u>804,268</u>	<u>833,448</u>	<u>16,595</u>	<u>6,663</u>	<u>54,412</u>	<u>1,715,386</u>
<b>Net book value</b>						
At 31 August 2020	<u><u>4,950,993</u></u>	<u><u>6,715,106</u></u>	<u><u>46,872</u></u>	<u><u>17,224</u></u>	<u><u>22,851</u></u>	<u><u>11,753,046</u></u>
At 31 August 2019	<u><u>5,199,595</u></u>	<u><u>6,976,652</u></u>	<u><u>53,219</u></u>	<u><u>19,613</u></u>	<u><u>42,280</u></u>	<u><u>12,291,359</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**16. Debtors**

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	904	-
VAT debtor	77,304	11,069
Prepayments and accrued income	433,583	59,651
	511,791	70,720
	511,791	70,720

**17. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Trade creditors	212,283	86,216
Other taxation and social security	36,411	40,531
Other creditors	43,736	40,713
Accruals and deferred income	125,724	78,817
	418,154	246,277
	418,154	246,277
	2020 £	2019 £
<b>Deferred income</b>		
Deferred income at 1 September 2019	45,000	42,785
Resources deferred during the year	44,320	45,000
Amounts released from previous periods	(45,000)	(42,785)
<b>Deferred income at 31 August 2019</b>	44,320	45,000
	44,320	45,000

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**18. Statement of funds**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
Unrestricted funds	317,379	51,650	(63,955)	-	-	305,074
<b>Restricted general funds</b>						
General Annual Grant (GAG)	106,836	2,713,268	(3,011,452)	308,010	-	116,662
Pupil premium	-	176,502	(176,502)	-	-	-
Other DfE/ESFA grants	-	213,885	(197,975)	-	-	15,910
Other government grants	9,438	209,659	(168,312)	-	-	50,785
Income from other schools	-	206	(206)	-	-	-
Other restricted income	2,160	31,150	(21,510)	-	-	11,800
Pension reserve	(1,272,000)	-	(169,000)	-	(175,000)	(1,616,000)
	<u>(1,153,566)</u>	<u>3,344,670</u>	<u>(3,744,957)</u>	<u>308,010</u>	<u>(175,000)</u>	<u>(1,420,843)</u>
<b>Restricted fixed asset funds</b>						
Fixed assets	12,265,137	-	(532,313)	-	-	11,732,824
DfE / ESFA capital grants	7,417	512,115	-	(308,010)	-	211,522
Capital expenditure from GAG	26,222	-	(6,000)	-	-	20,222
	<u>12,298,776</u>	<u>512,115</u>	<u>(538,313)</u>	<u>(308,010)</u>	<u>-</u>	<u>11,964,568</u>
<b>Total Restricted funds</b>	<u>11,145,210</u>	<u>3,856,785</u>	<u>(4,283,270)</u>	<u>-</u>	<u>(175,000)</u>	<u>10,543,725</u>
<b>Total funds</b>	<u><u>11,462,589</u></u>	<u><u>3,908,435</u></u>	<u><u>(4,347,225)</u></u>	<u><u>-</u></u>	<u><u>(175,000)</u></u>	<u><u>10,848,799</u></u>

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

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 2020.

**Pupil Premium**

This represents funding to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

**Other DfE/ESFA Grants**

This represents PE and Sports Grants, Regional Academy Growth Fund, and Universal Infant Free School Meals.

**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**

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 £11,964,568 at 31 August 2020, and the total fixed assets on the balance sheet are £11,753,046. The difference of £211,522 relates to accrued CIF funding where the expenditure has not yet been incurred or unspent DFC.

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

**Total funds analysis by academy**

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Ad Meliora Trust	24,440	7,139
Blenheim Park Academy	31,049	73,388
Reffley Academy	291,798	284,231
St Edmund's Academy	152,944	71,055
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	500,231	435,813
Restricted fixed asset fund	11,964,568	12,298,776
Pension reserve	(1,616,000)	(1,272,000)
	<hr/>	<hr/>
<b>Total</b>	<b>10,848,799</b>	<b>11,462,589</b>
	<hr/> <hr/>	<hr/> <hr/>

**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 2020 £	Total 2019 £
Ad Meliora Trust	112,135	298,853	33	107,368	518,389	318,624
Blenheim Park Academy	296,592	33,259	28,184	113,038	471,073	457,125
Reffley Academy	1,062,959	96,417	78,985	550,835	1,789,196	1,514,561
St Edmund's Academy	760,362	54,537	26,820	188,535	1,030,254	1,251,682
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Academy trust</b>	<b>2,232,048</b>	<b>483,066</b>	<b>134,022</b>	<b>959,776</b>	<b>3,808,912</b>	<b>3,541,992</b>
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**AD MELIORA ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**18. Statement of funds (continued)**

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted Funds</b>						
Unrestricted Funds	323,644	93,905	(100,170)	-	-	317,379
	<u>323,644</u>	<u>93,905</u>	<u>(100,170)</u>	<u>-</u>	<u>-</u>	<u>317,379</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	71,614	2,828,972	(2,778,259)	(15,491)	-	106,836
Pupil Premium	-	183,591	(183,591)	-	-	-
Other DfE/ESFA Grants	-	200,252	(200,252)	-	-	-
Other Government Grants	-	139,435	(129,997)	-	-	9,438
Income from Other Schools	-	2,100	(2,100)	-	-	-
Other Restricted Income	-	31,783	(29,623)	-	-	2,160
Pension reserve	(813,000)	-	(118,000)	-	(341,000)	(1,272,000)
	<u>(741,386)</u>	<u>3,386,133</u>	<u>(3,441,822)</u>	<u>(15,491)</u>	<u>(341,000)</u>	<u>(1,153,566)</u>
<b>Restricted fixed asset funds</b>						
Fixed assets	12,502,989	-	(531,190)	293,338	-	12,265,137
DfE/ESFA Capital Grants	225,805	59,459	-	(277,847)	-	7,417
Capital expenditure from GAG	32,222	-	(6,000)	-	-	26,222
	<u>12,761,016</u>	<u>59,459</u>	<u>(537,190)</u>	<u>15,491</u>	<u>-</u>	<u>12,298,776</u>
<b>Total Restricted funds</b>	<u>12,019,630</u>	<u>3,445,592</u>	<u>(3,979,012)</u>	<u>-</u>	<u>(341,000)</u>	<u>11,145,210</u>

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**18. Statement of funds (continued)**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Total funds</b>	12,343,274	3,539,497	(4,079,182)	-	(341,000)	11,462,589

**19. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	11,753,046	11,753,046
Current assets	305,074	395,951	428,882	1,129,907
Creditors due within one year	-	(200,794)	(217,360)	(418,154)
Provisions for liabilities and charges	-	(1,616,000)	-	(1,616,000)
<b>Total</b>	305,074	(1,420,843)	11,964,568	10,848,799

**Analysis of net assets between funds - prior period**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	12,291,359	12,291,359
Current assets	317,379	364,711	7,417	689,507
Creditors due within one year	-	(246,277)	-	(246,277)
Provisions for liabilities and charges	-	(1,272,000)	-	(1,272,000)
<b>Total</b>	317,379	(1,153,566)	12,298,776	11,462,589

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**20. Reconciliation of net expenditure to net cash flow from operating activities**

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(438,790)	(539,685)
<b>Adjustments for:</b>		
Depreciation	538,313	537,190
Capital grants from DfE and other capital income	(512,115)	(59,459)
Interest receivable	(284)	(396)
Defined benefit pension scheme cost less contributions payable	144,000	94,000
Defined benefit pension scheme finance cost	25,000	24,000
(Increase)/decrease in debtors	(68,484)	39,791
Decrease in creditors	228,554	(296,898)
<b>Net cash used in operating activities</b>	<b>(83,806)</b>	<b>(201,457)</b>

**21. Cash flows from investing activities**

	2020 £	2019 £
Bank interest	284	396
Purchase of tangible fixed assets	(56,677)	(236,661)
Capital grants from DfE Group	139,528	59,459
<b>Net cash provided by/(used in) investing activities</b>	<b>83,135</b>	<b>(176,806)</b>

**22. Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash in hand	618,116	618,787
<b>Total cash and cash equivalents</b>	<b>618,116</b>	<b>618,787</b>

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**23. Analysis of changes in net debt**

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	618,787	(671)	618,116
	618,787	(671)	618,116
	618,787	(671)	618,116

**24. 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 £43,691 were payable to the schemes at 31 August 2020 (2019 - £40,669) 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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**24. 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 £267,756 (2019 - £202,962).

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 2020 was £157,000 (2019 - £152,186), of which employer's contributions totalled £124,000 (2019 - £119,781) and employees' contributions totalled £ 33,000 (2019 - £31,919). The agreed contribution rates for future years are 21.0 per cent for employers and 5.5 - 12.5 per cent for employees.

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

**Principal actuarial assumptions**

	2020	2019
	%	%
Rate of increase in salaries	2.90	2.60
Discount rate for scheme liabilities	1.70	1.90
Inflation assumption (CPI)	2.20	2.30
Commutation of pensions to lump sums	50.00	50.00

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**24. Pension commitments (continued)**

The commutation rate of 50% relates to pre April 2008 service and increased to 75% for post April 2008 service.

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

	2020 Years	2019 Years
Retiring today		
Males	21.7	21.1
Females	23.9	23.5
Retiring in 20 years		
Males	22.8	22.4
Females	25.5	25.0

As at the 31 August 2020 the Trust had a pension liability of £1,616,000 (2019: £1,272,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined obligation in the following way;

**Sensitivity analysis**

	2020 £000	2019 £000
Discount rate +0.5%	(73,242)	(60,632)
Discount rate -0.5%	73,242	60,632
Mortality assumption - 1 year increase	22,536	18,656
Mortality assumption - 1 year decrease	(22,536)	(18,656)
CPI rate +0.5%	67,608	55,968
CPI rate -0.5%	(67,608)	(55,968)

**Share of scheme assets**

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

	2020 £	2019 £
Equities	600,500	519,400
Bonds	420,350	381,600
Property	132,110	127,200
Cash	48,040	31,800
<b>Total market value of assets</b>	<b>1,201,000</b>	<b>1,060,000</b>

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**24. Pension commitments (continued)**

The actual return on scheme assets was £1,000 (2019 - £51,000).

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

	2020 £	2019 £
Current service cost	(268,000)	(205,000)
Past service cost	-	(9,000)
Interest income	22,000	26,000
Interest cost	(47,000)	(50,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<u>(293,000)</u>	<u>(238,000)</u>

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

	2020 £	2019 £
<b>At 1 September</b>	2,332,000	1,687,000
Current service cost	268,000	205,000
Interest cost	47,000	50,000
Employee contributions	33,000	32,000
Actuarial losses	152,000	366,000
Benefits paid	(15,000)	(17,000)
Past service costs	-	9,000
<b>At 31 August</b>	<u>2,817,000</u>	<u>2,332,000</u>

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

	2020 £	2019 £
<b>At 1 September</b>	1,060,000	874,000
Interest income	22,000	26,000
Actuarial (losses)/gains	(23,000)	25,000
Employer contributions	124,000	120,000
Employee contributions	33,000	32,000
Benefits paid	(15,000)	(17,000)
<b>At 31 August</b>	<u>1,201,000</u>	<u>1,060,000</u>

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**25. Operating lease commitments**

At 31 August 2020 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
<b>Amounts payable for other leases</b>		
Not later than 1 year	3,268	3,476
Later than 1 year and not later than 5 years	2,974	5,636
	<u>6,242</u>	<u>9,112</u>
	<u><u>6,242</u></u>	<u><u>9,112</u></u>
	2020 £	2019 £
<b>Amounts payable for land and buildings</b>		
Within 1 year	5,000	-
Between 1 and 5 years	10,000	-
	<u>15,000</u>	<u>-</u>
	<u><u>15,000</u></u>	<u><u>-</u></u>

**26. 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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**27. 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 Academies Financial 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 purchased professional fees amounting to £Nil (2019: £71) in relation to Freebridge Community Housing where the Trustee, Andrew Walder is a Director and part-time Chair. The purchase was made at arms length and Andrew Walder did not participate or influence the transaction. There were no amounts outstanding at 31 August 2020 (2019: £Nil).

Ad Meliora Academy Trust has also 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 three-year lease was committed to prior to the year-end. This lease was made on normal commercial terms and conditions.

In addition to this, certain trustees received remuneration and expenses which are disclosed in note 13.

No other related party transactions have occurred in the year ended 31 August 2020.