

Alban Academies Trust

Annual Report and Financial Statements

For the year ended 31 August 2020

Company Limited by Guarantee
Registration Number
07523557 (England and Wales)

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Reference and administrative information

Members	F Letanka D Gibbons J Wright G Copland G Clarke
Trustees	L Keen (Chair) A Gray P Thei J Wright G Comninos J Loukes N Daymond N Leinster R Kennedy R Springall D Strazza N Chouhan (resigned 29.11.2019) P Jones (appointed 17.03.2020)
Company Secretary	J Shaw
Registered address	Alban Academies Trust The Ridgeway, St Albans, Hertfordshire, AL4 9NX
Company registration number	07523557 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Lloyds TSB Bank Pic, 1 Bancroft, Hitchin, Hertfordshire, SG5 1JG

Reference and administrative Information

Solicitors	Browne Jacobson LLP, 6th floor, 77 Gracechurch Street, London, EC3V 0AS
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Reference and administrative information

Executive Leadership Team

CEO	Alan Gray
CFO	Julia Shaw
Director of School Improvement	Claire Oakes

Ridgeway Academy (31/08/2020)

Senior Leadership Team

Headteacher	Sarah Mitcherson
Deputy Headteacher	Jackie Smith
Assistant Headteacher	Steven Booth
Assistant Headteacher	Lucy Hyde
Assistant Headteacher	Caroline Maddocks
Assistant Headteacher	Jonathan Milne
Business Manager	Patricia Diop

Sandringham School (31/08/2020)

Senior Leadership Team

Headteacher	Alan Gray
Deputy Headteacher	Fergal Moane (resigned 31.08.2020)
Deputy Headteacher	Caroline Creaby
Acting Deputy Headteacher	Mark Nicholls
Assistant Headteacher	Claire Oakes
Assistant Headteacher	Karen Paul
Assistant Headteacher	Stuart Kemp
Assistant Headteacher	Joanna Cavanagh
Assistant Headteacher	Athena Pitsillis
Assistant Headteacher	Mark Ailday
Business Manager	Julia Shaw

Verulam School (31/08/2020)

Senior Leadership Team

Headteacher	Paul Ramsey
Deputy Headteacher	Mark Freakley
Deputy Headteacher	Anthony Flack
Assistant Headteacher	Martin Elmsley
Business Manager	Kate Locke

RIDGEWAY ACADEMY LOCAL GOVERNING BOARD

Chair	As at 31 August 2020
Headteacher (ex officio)	Anne Garland
Governor	Sarah Mitcherson (appointed 01.09.2019)
Governor	Ian Burt
Governor	Graham Clay (resigned 11.12.2019)
Governor	Elizabeth Tillet
Governor	Ann Wills
Governor	David Clarke
Governor	Dawn Hornsey
Governor	Les Thomas
Governor	Anne Lyons
Governor	Paul McNally
Governor	Charlie Smith
Governor	Sally Parrett
Governor	Catherine Woodwark
Governor	David McNally (appointed 24.10.2019)
Governor	Rowena Grace (appointed 24.10.2019)
Governor	Julie Williams (appointed 09.07.2020)
Governor	Becky Sharp (appointed 24.10.19/resigned 11.12.2019)

INTRODUCTION

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their annual report together with the audited financial statements and Auditor's report of Alban Academies Trust for the ended 31 August 2020. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law. The Trustees have adopted the provisions of 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) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The Trust operates three secondary academies in Hertfordshire for pupils aged 11 - 18. Its academies have a combined pupil capacity of 3,889.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Alban Academies Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the multi academy trust. The Trustees of Alban Academies Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Alban Academies Trust (formerly Sandringham School Academy Trust) and consists of three academies, Ridgeway Academy, Sandringham School and Verulam School.

Details of the Trustees who served during the year on the Trust and the details of the Local Governing Boards of Ridgeway Academy, Sandringham School and Verulam School are included in the Reference and administrative details on pages 3 and 4.

Members' liability

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

Trustees' Indemnities

In accordance with normal practice the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions whilst on academy trust business.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of Trustees

The management of Alban Academies Trust and Local Governing Boards is the responsibility of the Trustees and Governors who are elected and co-opted under the terms of the Articles of Association.

The members may appoint by ordinary resolution up to 10 Trustees.

The total number of Trustees including the Chief Executive Officer if they so choose to act as Trustee under Article 57 who are employees of the Academy Trust shall not exceed one third of the total number of Trustees.

The Trustees may appoint Co-opted Trustees. A 'Co-opted Trustee' means a person who is appointed to be a Trustee by being Co-opted by Trustees who have themselves been so appointed. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of the total number of Trustees including the Chief Executive Officer to the extent he or she is a Trustee.

At the accounting date the Board of Trustees consisted of five members, one of whom is also a trustee, thirteen additional trustees including the Chief Executive Officer which is ex-officio trustee role.

The Board of Trustees is selected to ensure that an appropriate skill set for the Trust, providing a wide breadth of talent and expertise which enables the Trust to enhance the opportunities for its staff and pupils.

Policies and procedures adopted for the induction and training of Trustees and Governors

New trustees and governors are supported by the Chairs as part of their induction. It is expected that all trustees/governors undertake training as appropriate to their role on the trust board or local governing body. New trustees/governors are recommended to undertake the Hertfordshire County Council Induction training for trustees/governors and this is supplemented by a governor training programme organised by the trust which offers sessions by external and "in house" providers throughout the school year.

Each local governing body is responsible for overseeing its academy's overall management and control with a particular focus on Teaching and Learning. The Trustees meet as the Trust Board at least three times a year; with MAT committees for Resources, HR and Quality of Education also meeting regularly.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Policies and procedures adopted for the induction and training of Trustees and Governors (continued)

The work of reviewing and monitoring the academy trust's policies is shared across the trust with senior leaders and local governors within each school passing comments/recommendations to the Trust Board for final consideration and approval. The terms of reference for the trust committees and local governing bodies are agreed annually at the first committee meeting of the year. The clerk to the local governing body of Sandringham School, the clerk to the local governing body of Verulam School and the clerk to Ridgeway Academy are responsible for coordinating the work of their governors and their committees, preparation of agendas, supporting papers and the review of any matters arising. One clerk is also responsible for coordinating the work of the Trust Board and its committees, preparation of agendas, supporting papers and the review of any matters arising. The CFO oversees the preparation of the Accounts. The Accounting Officer is responsible for the accounts.

All trustees/governors give of their time freely and no remuneration or expenses relating to their activities as trustees/governors were paid in the period. Details of the remuneration to the staff trustee is set out in note 8.

Organisational structure

The Trustees of the Alban Academies Trust constitute the Trust Board, which determines the shared policies across the multi academy trust. Trust Board members are appointed on the basis of their skills and experience. Trustees conduct an annual skills audit to assess whether the Board has the necessary skills to oversee the activities of the Trust. Trust Board committee members are drawn from the Trust Board and schools' governing bodies. Each constituent academy is governed by a local governing body (effectively the board of governors). The local governing bodies determine the policy of their academies, within the overarching policy structure set out by the trust board.

The executive team provides experienced and able leadership across the trust; meeting with the Headteachers, on at least a fortnightly basis.

The day to day running and key drivers of educational achievement in each academy are delegated by the local governing bodies to the Headteachers, who are each supported by a senior leadership team. The Headteachers undertake the key leadership roles within their own academies of overseeing educational, pastoral, human resources and administrative functions in consultation with senior staff. The day to day administration of each academy is undertaken within the trust policies and procedures, approved by the local governing body which provide for significant expenditure decisions to be referred to the Trust Board for prior approval.

The Headteachers oversee their school's/academy's recruitment of all staff. The Headteachers are members of their local governing body.

Responsibilities delegated to senior staff are published annually and distributed to trustees and members of local governing bodies. All members of the senior leadership teams are invited to their own academy's local governing body meetings as and when appropriate.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Pay policy for key management personnel

The Trustees Pay Committee considers and sets the pay grade and salary for the Chief Executive Officer for the trust, reporting the outcomes to the Trust Board. The CEO oversees the performance management of the executive team. The CEO's performance management is overseen by the Chair of the Trust Board. The Chair/Pay Committee of Sandringham's governing body reviews his performance as a Headteacher.

Connected organisations, including related party transactions

The CEO, Alan Gray, is a member of a number of professional organisations. He is recognised as a National Leader by the College of School Leadership (NLE) and served on the DfE's Secondary Headteacher's Reference Board. He is also Chair of Hertfordshire's Schools Forum and a Trustee of Saracens High School. This work enables him to keep abreast of current educational matters and to network with other outstanding schools locally, regionally and nationally to share expertise, knowledge and experience.

Sandringham School and Verulam School have a formal partnership with Beaumont School to provide high quality post 16 education to their joint sixth forms. Sandringham School also works in a federation (The Alban Federation) with local schools to provide Schools Direct Teacher Training, funded by the National College for Teaching and Leadership. In both cases, Governors review working policies in partnership with these partner schools. The Alban Teaching School Alliance (ATSA) was set up in April 2012 by Sandringham School and Sir John Lawes after both schools obtained National Teaching School Status. It aims to support all those schools and individuals who wish to share and develop their expertise in a collaborative way to raise standards for young people. Sandringham School is also a designated national Research School.

The following services are provided by Herts for Learning Ltd, a company of which a Trustee is a director, and for which each of the Trusts schools are shareholders:

- ◆ HR advisory services;
- ◆ Connectivity and IT support;
- ◆ Governor support;
- ◆ School improvement services

OBJECTIVES AND ACTIVITIES

Objects and aims

Alban Academies Trust object is to provide education for the public benefit in the United Kingdom.

Our aim is to build a learning community of schools to share **'Educational Excellence for Everyone'** in order to be deemed truly 'World Class'.

The trust is keen for member schools to work together to shape the values, ethos and operation of the MAT. The trust board and local governing bodies will be jointly responsible for promoting a culture of respect and high expectations, and ensuring that these values are reflected in the way we operate and the policies we support.

Key principles to define our ethos and culture include;

- ◆ Core purpose on achieving the best outcomes for all children served by the trust;
- ◆ Shared knowledge and trust to empower everyone built on mutual respect;
- ◆ All academies in the trust hold the highest expectations of young people and what they can achieve;
- ◆ We actively promote equality at all levels in the trust;
- ◆ Local governing bodies are in best position to make decisions about their schools - majority of decision making and autonomy rests with individual schools*; and
- ◆ Stakeholder voice is a key ingredient in how we will operate

* Those schools that are in challenging circumstances and join the AAT under a sponsored agreement would have a different balance between centralised control and delegated decision making

To define the values of the trust, we have adopted the mission statement **'Educational Excellence for Everyone'**.

Objectives, strategies and activities

The vision and strategy for each individual school will be overseen by the local governing body for that school. The AAT will also promote a strategic plan that will provide a common goal for all schools in the MAT to adopt. This will be prepared with input from all partners.

Our starting point for the first 5 years will be:

- ◆ To achieve significantly positive outcomes for all young people in our care. The trust aims to secure consistency across the trust so that all families can be confident in receiving a high-quality education irrespective of which school in the trust they attend.

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities (continued)

- ◆ To develop as a small to medium sized MAT, with a membership of between 3 – 10 schools. We will manage any growth in a sustainable fashion so that ethos and culture are kept at the forefront of our principles, and that quality and standards come before size.
- ◆ To serve any type of school, and provide a rich environment for progress whether primary or secondary in nature.
- ◆ To serve a geographical area close to St. Albans to facilitate effective collaboration.
- ◆ To provide a powerful organisation that everyone is proud to be part of and is seen as a model of good practice for others.
- ◆ To enjoy working in partnership and learn constantly from each other.

The above will be achieved through delivering a carefully planned strategy for improvement built on knowledge of where we are starting from and understanding of how to move to where we want to get to. This will involve outstanding leadership at all levels and a relentless focus on doing the right things and doing them well. The academy trust's main strategies for Ridgeway Academy, Sandringham School and Verulam School are outlined in the annual strategic improvement plan.

The COVID-19 virus has affected all schools within the Trust and directly affected the delivery of secondary education to its students. During the period of lockdown in summer 2020 schools undertook virtual teaching until their return in June.

Public Benefit

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commissioner's general guidance on public benefit. With this in mind, the Members and Trustees have invested a significant amount of time developing the Alban Academies Trust (AAT).

This is a Multi Academy Trust set up to serve primary and secondary schools with the aim to build a learning community to share educational excellence for everyone. The cross-phase nature of the trust is critical to supporting a holistic approach to education, enabling professionals from all phases to share ideas and work together to raise standards. A key aspect of the vision of the Trust is for each school to maintain its own distinctive character and to cherish heritage whilst at the same time seek opportunities to further strengthen culture and ethos across the AAT. This is an exciting opportunity to show how collaborative working can shape and define improvement and provide amazing opportunities for the young people in our care.

STRATEGIC REPORT

Achievements and performance

2019-20 academic year			
	Ridgeway	Sandringham	Verulam
KS4			
No. students	108	211	174
Progress 8 estimate (P8) - Latest SISRA Colloboration tables	-0.5	0.83	0.62
Attainment 8	4.33	6.77	5.65
% BASICS 9-4	65.7	97.6	84.5
% BASICS 9-5	39.8	88.2	63.8
% English 9-4	82.4	98.0	89.7
% English 9-5	62.0	91.0	77.0
% Maths 9 – 4	96.4	98.0	86.2
% Maths 9-5	46.3	91.0	68.4
% Ebacc entered	5.6	62.1	81.6
% Ebacc achieve	5.6	54.5	54.0
KS5			
No. students	20	200	105
APS per entry	31.93	45.2	38.49
Ave grade	C+	A-	B
APS voc er entry	—	36.7	30.67
ALPS T score	—	1	2 (BTEC 5)

STRATEGIC REPORT (continued)

Key Performance Indicators

Key Performance Indicator	Ridgeway	Sandringham	Verulam
OFSTED	Previous school (Sir Frederic Osborn School) was graded Requires Improvement (RI) at its last inspection. If had been RI for a number of years. Standards improved significantly in year 1 of the new academy. Ridgeway is likely to be inspected in year 3 (2020-21) and the target is to be graded good.	Sandringham was last inspected in 2008 and graded Outstanding. It is currently exempt from routine inspection. Annual Standards Visits and all internal monitoring suggest the school continue to meet the Outstanding criteria.	Verulam was inspected in October 2018 and graded Good. The school is working towards achieving Outstanding at its next inspection – most likely from 2022 onwards.
Student Intake	In 19/20 the school was oversubscribed. Its current year 7 intake is 178 students which is a significant increase on previous intake numbers.	All year groups are overcapacity.	Current year 7 is under capacity at 147 students.
Budget	Year-end better than agreed budget out turn statement.	Year-end mirrors agreed budget out turn statement.	Year-end better than agreed budget out turn statement.

FINANCIAL REVIEW

Going concern

After making appropriate enquires, the Board of Trustees has a reasonable expectation that the Alban Academies Trust has adequate resources to continue in operational existence for the foreseeable future. As a result of the COVID-19 virus the Trust has faced uncertainties around the level of hiring's income but this has not affected its financial sustainability. 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 Accounting Policies.

FINANCIAL REVIEW (continued)

Engagement with Employees Including disabled persons

The Trust has taken the following actions:

- ◆ provided employees with information on matters of concern to them
- ◆ consulted employees regularly so that their views can be considered, both informally and formally by the conducting of an annual staff survey
- ◆ encouraged the involvement of employees
- ◆ sought to improve the well-being of staff through on-going consideration of work-life balance in all decision making

Engagement with suppliers, customers and others in a business relationship

The Trust has fostered business relationship with suppliers, customers and others by:

- ◆ conducting regular meetings with suppliers to review contracts/services provided
- ◆ acting according to the PPN notices and giving due consideration of supplier's positions during the Covid-19 pandemic
- ◆ regularly communicating with the school's customers to ensure that they are well informed as to the availability of the school's resources for their usage
- ◆ regular communicating with students to ensure that they are well informed regarding all school matters
- ◆ regular communications with parents, including daily/weekly updates during summer lockdown

Promoting the success of the company

The Trust has taken the following actions to promote the success of the company:

- ◆ Ensured that there is robust financial management in all schools, and that there are systems in place to support this, and investigated processes and options to improve financial efficiency
- ◆ Recruited and retained the best teaching and support staff
- ◆ Ensured that there is robust safeguarding policies within schools
- ◆ Identified shared opportunities for CPD and curriculum and resource planning to strengthen the quality of teaching and learning and its impact on students' progress
- ◆ Developed and implemented trust wide ICT strategy and programme to continually improve ICT hardware and software to deliver desired outcomes
- ◆ Investigated further funding opportunities where applicable.
- ◆ Ensured the Trust has management capacity to deliver sustained improvement and growth.

The Trust has three separate supplemental funding agreements with the ESFA, one for each school, and income is obtained in the form of recurrent grants, the use of which is restricted to particular purposes. All funds received by the Trust are received into the bank account of the trust and then is distributed to schools. Total net assets, including the pension scheme liability at the end of this reporting period are £52,447,000 (2019 - £58,216,000) and of this, net current assets are £2,227,000 (2019 - £3,830,000). The Trust has pension liabilities in relation to staff who are part of the Local Government Pension Scheme of £4,650,000 (2019 - £4,021,000). Further details are included in Note 21.

FINANCIAL REVIEW (continued)

Financial risk management objectives and policies

The Trustees have developed a risk management policy for the Trust and this is continually reviewed and updated termly by the Resources Committee. The Trust has assessed the risks under the main categories of strategic and reputational, physical, financial, students, staffing, governance and infrastructure. The Audit Committee review the effectiveness of risk management, monitor the risk profile against the board's desired risk tolerance the effectiveness and output of the risk management process and ensure that risk management is appropriately embedded and monitored within line management.

COVID-19 has presented a unique risk during the year and had an operational and financial impact on all schools. From an operational perspective the schools have dealt with a period of lockdown and a move to virtual learning. Financially hirings income has been affected and additional costs have been incurred. All schools have dealt with these challenges effectively and managed the impact on staff and pupils whilst following the DfE advice to ensure that the required risk assessments are in place to manage to all potential scenarios.

Principal risks and uncertainties

The Trustees have assessed the major risks to which the Trust is exposed, in particular to those related to the operations and the finances of the Trust and are satisfied that systems and procedures are in place to mitigate our exposure to major risks. The Trust's Resources Committees is charged with the responsibility to consider, and take appropriate action against major risks which could impact the trust. The Trust also operates systems to assess risks and there are measures in place to minimise these risks. Where the remaining risk is deemed to be significant, the Trust has adequate insurance cover.

The principal risks faced by the Trust include the following:

- ◆ Strategic and reputational - risk associated with under performance of an academy or a natural disaster;
- ◆ Financial - risk associated with inadequate funding or over spend on capital build;
- ◆ Governance- risk associated with the failure to recruit/retain Trustees/Governors;
- ◆ Operational - risk associated with the loss of assets or with the recruitment and retention of staff;
- ◆ Compliance - -risks associated with failure to comply with legislation; and
- ◆ Students- risk associated with the safety and wellbeing of students.

Any of the above could affect the performance, future prospects or reputation of the Trust, and therefore controls are in place to mitigate and monitor these risks.

FINANCIAL REVIEW (continued)

Reserves policy

The Trustees have developed a reserve policy for the Trust. This policy states the Trust aims to operate with at least a level of free reserves of around 5% of ESFA funding, which is the approximate amount to cover one month's salaries. The Trust will therefore:

- ◆ Regularly review the nature of income and expenditure streams and the need to match income with commitments.
- ◆ Use excess in year funding to meet the needs of existing students.
- ◆ Separately identify funds for significant projects that cannot be met by future income alone.
- ◆ Consider the Medium Term Financial Strategy and plan for use of reserves to meet expenditure commitments in the short and medium term.
- ◆ Provide short term funding to mitigate future funding turbulence as a result of national funding changes.
- ◆ Provide short term funding to meet expenditure commitments following the removal of funding protection to enable longer term decisions to be made.

The Trust's current level of free reserves is £2,049,000 (2019 - £2,625,000) which excludes restricted and designated funds, fixed asset reserves and the deficit on pension schemes.

There has been a limited impact on the Trust reserves from the COVID-19 virus although schools continue to monitor this impact closely.

Investment Policy

The Trust will ensure that investment risk is properly managed. When considering whether to make an investment, trustees will:

- ◆ Act within their powers to invest, as set out in our Articles of Association;
- ◆ Exercise caution in all investments, reducing risk and ensuring that the trust acts with the utmost integrity;
- ◆ Take investment advice from a professional adviser, as appropriate;
- ◆ Ensure that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximisation; and
- ◆ Ensure that all investment decisions are in the best interests of the trust and command broad public support.

The Trust will only invest in with banking institutions regulated by the FCA with a rating of at least A.

FINANCIAL REVIEW (continued)

Principal funding

The majority of the Trust's funding was provided by the Education and Skills Funding Agency (ESFA). The Trust's total income for the year ended 31 August 2020 amounted to £19,638,000 (2019 - £59,671,000). The prior year income included £38,990,000 related to the transfer of the net assets of Verulam School and Ridgeway Academy into the Trust. The Trust received £16,729,000 (2019 - £14,942,000) in the General Annual Grant from the ESFA and £151,000 (2019 - £1,127,000) in capital grants.

The Trust held fund balances of £52,447,000 (2019 - £58,216,000) at 31 August 2020 which includes unrestricted funds of £2,127,000 (2019 - £2,670,000) of which £78,000 (2019 £44,000) is designated.

FUNDRAISING

The Trust does not currently have any central fundraising activities. It does not use the services of professional fundraisers. The practice that is in place is that schools will individually develop fundraising activities, typically with the assistance of their parent bodies through form PTA events. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate.

Streamlined Energy and Carbon Reporting

UK energy use and associated greenhouse gas emissions

The Trust is pleased to report its current UK based annual energy usage and associated annual greenhouse gas emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those within the UK only for all assets that come under an operational control boundary. This includes all 3 schools controlled during the reporting period along with minibuses and personal vehicles used for business mileage ("grey fleet").

Reporting period

The annual reporting period is 1 September to 31 August each year and the energy and carbon emissions are aligned to this period.

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2020 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity and gas consumption was compiled from invoice records. Energy use and emissions for minibuses were calculated from odometer readings and fuel records, while mileage claims were used for grey fleet. Generally gross calorific values were used except for grey fleet mileage energy calculations as per Government GHG Conversion Factors.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the combustion of fuels and the operation of facilities (scope 1), purchased electricity (scope 2) and in-direct emissions that occur as a consequence of company activities (scope 3).

Breakdown of energy consumption used to calculate emissions (kWh):

Energy type	2019/20
Mandatory energy:	
Gas	3,861,846
Purchased electricity	1,450,531
Transport fuel	29,002
Total mandatory energy	5,341,380

Streamlined Energy and Carbon Reporting (continued)

Breakdown of emissions associated with the reported energy use (tCO₂e):

Emission source	2019/20
Mandatory emissions:	
<u>Scope 1</u>	
Natural gas	710.1
Transport - Company owned vehicles (mini-buses)	6.6
<u>Scope 2</u>	
Purchased electricity (location-based)	338.2
<u>Scope 3</u>	
Transport – Business travel in employee owned vehicles	0.6
Total gross mandatory emissions	1,055.4
<u>Intensity ratios (mandatory emissions only)</u>	
Tonnes of CO ₂ e per pupil	0.315
Tonnes of CO ₂ e per square meter floor area	0.034

Intensity ratio

The primary intensity ratio is total gross emissions in metric tonnes CO₂e (mandatory emissions) per pupil, which is the recommended ratio for the sector for consistency and comparability. Pupil numbers are based on the Autumn 2019 Census.

A secondary intensity ratio based on floor area (Gross Internal Area) is also provided to reflect the energy efficiency of the buildings, which are the source of the majority of emissions.

Energy efficiency action during current financial year

Energy consumption is expected to be below typical this year due to the reduced occupancy across all sites following COVID-19 restrictions from 23rd March 2020. From this date, the schools were open to key worker's children only, with a phased and partial reopening for certain year groups occurring in June.

A further result of the health restrictions has been the greater implementation of video conferencing for staff, reducing the need for travel to and between sites. The emission saving resulting from these activities has not been quantified, but this practice has resulted in behaviour changes that are expected to continue for the foreseeable future. Air conditioning usage has also been reduced as part of health precautions.

Despite this temporary reduction in energy use due to COVID-19, the Trust is committed to reducing longer term emissions and practices good energy management. For example, electricity, gas and water use is monitored using the 'Optimal' metering system at Sandringham School, enabling the quick identification of abnormally high usage. Heating, lighting and electrical items are also closely controlled and not left on unnecessarily by staff.

Streamlined Energy and Carbon Reporting (continued)

Energy efficiency action during current financial year (continued)

These ongoing actions have been built upon this year by the implementation of the following energy efficiency measures:

- ◆ New boilers have been installed in the main boiler room at Ridgeway School.
- ◆ Ridgeway School has also received significant capital investment on roofing, fire prevention and window curtain walling, resulting in improved insulation.
- ◆ The hot water systems have been upgraded during two toilet and washroom refurbishments at Sandringham School, switching to electric on-demand water heating.
- ◆ Fluorescent lighting has been replaced with LEDs in the main hall and several other student areas at Sandringham School, reducing electrical demand.

The Trust is also promoting a growing sustainability agenda that engages with the catering team, students and staff, such as using bamboo cutlery in the school canteen and reducing plastic bottles from the catering provider.

PLANS FOR FUTURE PERIODS

Future developments

Strategic plans are in place to ensure capacity and sustainability are maintained. The coming years objectives are to:

- ◆ To manage the Covid-19 pandemic successfully, minimizing discontinuity of learning and supporting students through public qualifications
- ◆ To get involved in partnerships that will embrace the achievement of the Trusts growth strategy to become a small to medium sized MAT.
- ◆ Focus significant attention on the quality of teaching and operate a robust performance management and improvement approach to ensure that there are positive outcomes for all pupils.
- ◆ Set budgets that balance in year and manage reserves at a level that provides assurance; whilst freeing reserves to invest in the Trust infrastructure.

FUNDS HELD AS CUSTODIAN

As a National Teaching school and Schools Direct provider Sandringham School is in receipt of funding on behalf of other schools in the local area as well as trainee teachers. The school is responsible for ensuring that these funds are distributed appropriately and within the agreed timescales. All schools in the Trust are also in receipt of funds from parents/carers for school trips and activities and similarly ensures that these funds are passed over to external providers as necessary.

Trustees' report Year to 31 August 2020

AUDITOR

In so far as the Trustees are aware:

- ◆ there is no relevant audit information of which the charitable company's auditor is unaware;
and
- ◆ that Trustees have taken all steps that they ought to have taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 8/12/2020 and signed on its behalf by:



L Keen
Chair of Trustees

Scope of responsibility

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

The Trust Board has delegated the day-to-day responsibility to the CEO of Alban Academies Trust, 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 Alban Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Trust Board any material weaknesses or breakdowns in internal control.

Governance

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

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Trust Board has formally met three times during the year. Attendance during the year at meetings of the Trust Board was as follows:

Governor	Meetings attended	Out of a possible
A Gray (CEO)	3	3
L Keen (Chair)	3	3
P Thel	3	3
J Wright	3	3
G Comminos	3	3
J Loukes	3	3
N Daymond	3	3
N Leinster	3	3
N Chouhan (resigned 29.11.19)	0	0
D Strazza	3	3
R Kennedy	3	3
R Springall	3	3
P Jones	2	2

The Board of Trustees is selected to ensure an appropriate skill set for the Trust, providing a wide breadth of talent and expertise which enables the Trust to enhance the opportunities for staff and pupils.

Governance statement 31 August 2020

Governance (continued)

The Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to ensure sound management of the Academy's finance and resources, including proper planning, monitoring and probity.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
G Comminos (Chair)	3	3
L Keen	3	3
N Leinster	2	3
R Kennedy	2	3
N Chouhan	0	1
A Gray	3	3

Review of Value for Money

Due to COVID-19 there have been circumstances whereby the principles of PPN 02/20 and 04/20 have been applied, specifically with regard to school caterers. In these circumstances the Trust has taken note of the guidance and DfE advice in order to ensure that suppliers are supported appropriately.

As accounting officer, the CEO has responsibility for ensuring that the Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available.

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

- ◆ The size and reputation of the Trust - this has enabled the Trust to negotiate improved service standards from a number providers. These include our bankers and payroll provider.
- ◆ Economies of scale – these have been achieved in contract negotiations by agreeing contracts and arrangements common to all schools. An example is the procurement of energy and the new finance system.
- ◆ Cost effective purchasing – the schools regularly benchmark financial performance against one another. Tender exercises are regularly undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts remain competitive. Government frameworks are used by all schools to ensure that the best prices are obtained.
- ◆ Maximising income generation –the schools explore every opportunity to generate income through hire of school's facilities. Staff also used their expertise in a range of income generation consultations and teaching alliances.

Review of Value for Money (continued)

- ◆ Reviewing controls and managing risks - monthly budget monitoring reports are produced and reviewed by the Business Managers and the Heads and any necessary remedial action taken to address any significant variances that may have an impact on the budget out-turn. Forecasts are compiled using a commonly agreed set of assumptions and principles to ensure consistency. We also continually monitor processes with the intention of achieving greater efficiencies that also lead to cost reductions. Trustees have agreed a risk register which details all potential financial and business risks, considers their impact and details mitigating measures to reduce risk exposure.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness: The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Alban Academies 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.

Capacity to handle risk

The Trust Board has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trust Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 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 Trust Board.

The risk and control framework

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

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trust Board;
- ◆ regular reviews by trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ delegation of authority and segregation of duties; and
- ◆ identification and management of risks.

The risk and control framework (continued)

The Trust Board has considered the need for a specific internal audit function and has decided to appoint a local accounting firm as internal auditors, who in term will report to the Resources Committee and Chair of Trustees. The Trusts arrangements for internal scrutiny are unaffected by the newly revised FRC ethical standard. The Trust's current auditors are engaged for external audit services only.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academies financial systems. On an annual basis, the auditor reports to the Trust Board through the resources committee on the operation of the systems of control and on the discharge of the Trust Board trusts financial responsibilities.

The internal auditor checks were carried out as planned over the year and findings from these visits resulted in some minor recommendations being made, none of which were deemed to be significant.

Review of effectiveness

As Accounting Officer, the CEO of Alban Academies Trust 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 auditor;
- ◆ the financial management and governance self-assessment process;
- ◆ the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Trust Board on 8/12/2020 and signed on their behalf by:



(Chair of Trustees)

Statement of regularity, propriety and compliance 31 August 2020

As Accounting Officer of Alban Academies Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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



Accounting Officer

Date:

8/12/2020

Statement of trustees' responsibilities 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 Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP and the Academies Accounts Direction 2019 to 2020;
- ◆ make judgments and accounting estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform 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 Trust Board on
behalf by:

and signed on its



Chair of Trustees

Independent auditor's report to the members of Alban Academies Trust

Opinion

We have audited the financial statements of Alban Academies Trust (the 'academy') for the year ended 31 August 2020, which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 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's affairs as at 31 August 2020 and of 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 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard; and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information (covers the reference and administrative details, the report of the trustees and strategic report and the governance statement)

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 Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions 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, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is 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. This description forms part of our Auditor's report.

Use of our report

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

Hugh Swainson (Senior Statutory Auditor)
For and on behalf of
Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Independent reporting accountant assurance report on regularity to Alban Academies Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 9 August 2019 and further to the requirements of the Education & 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 Alban Academies 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 Alban Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Alban Academies Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Alban Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Alban Academies accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Alban Academies Trust's funding agreement with the Secretary of State for Education dated 31 March 2011, 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.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Approach (continued)

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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material misstatement and irregularity across the Academy Trust's activities. Testing and review of areas identified through risk assessment including enquiry, observation, inspection and review of supporting evidence.
- ◆ Review of system controls, policies and procedures in place to ensure compliance with the regularity regime.
- ◆ Consideration of evidence obtained through the work performed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant
Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Statement of financial activities (including income and expenditure account) Year to 31 August 2020

	Notes	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2020 Total funds £'000	2019 Total funds £'000
Income from:						
Donations and capital grants	1	32	—	151	183	579
Transfer on conversion		—	—	—	—	19,367
Transfer on academies joining the Trust		—	—	—	—	19,623
Charitable activities	2	868	17,725	—	18,593	18,018
Other trading activities	3	856	—	—	856	2,079
Investments	4	6	—	—	6	5
Total income		1,762	17,725	151	19,638	59,671
Expenditure on:						
Raising funds		134	—	—	134	372
Charitable activities		1,657	18,300	5,386	25,343	21,614
Total expenditure	5	1,791	18,300	5,386	25,477	21,986
Net (expenditure) income before transfers						
		(29)	(575)	(5,235)	(5,839)	37,685
Transfers between funds	16	(513)	(217)	730	—	—
Net (expenditure) income before other recognised gains and losses						
		(542)	(792)	(4,505)	(5,839)	37,685
Actuarial gains (losses) on defined benefit pension scheme	21	—	70	—	70	(1,407)
Net movement in funds		(542)	(722)	(4,505)	(5,769)	36,278
Reconciliation of funds						
Total fund balances brought forward at 1 September 2019		2,669	(3,828)	59,375	58,216	21,938
Total fund balances carried forward at 31 August 2020		2,127	(4,550)	54,870	52,447	58,216

All of the trust's activities derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the Statement of Financial Activities.

Balance sheet 31 August 2020

	Notes	2020		2019	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	12		54,870		58,406
Investments	13		—		—
			<u>54,870</u>		<u>58,406</u>
Current assets					
Debtors	14	915		2,292	
Cash at bank and in hand		3,518		4,227	
		<u>4,433</u>		<u>6,519</u>	
Liabilities					
Creditors: amounts falling due within one year	15	(2,206)		(2,689)	
Net current assets			<u>2,227</u>		<u>3,830</u>
Total assets less current liabilities			<u>57,097</u>		<u>62,237</u>
Defined benefit pension scheme liability	21		(4,650)		(4,021)
Net assets including pension scheme liabilities			<u>52,447</u>		<u>58,216</u>
Funds of the Academy					
Restricted income funds					
. Fixed asset fund		54,870		59,375	
. Restricted income fund		100		193	
. Pension reserve		(4,650)		(4,021)	
			<u>50,320</u>		<u>55,547</u>
Unrestricted income funds	17				
. Designated funds		78		44	
. General funds		2,049		2,625	
			<u>2,127</u>		<u>2,669</u>
Total funds			<u>52,447</u>		<u>58,216</u>

The financial statements on page 32 to 58 were approved by the Trustees, authorised for issue and are signed on their behalf by:



Chair of Trustees
Alban Academies Trust

Approved on: 8/12/2020

Company Limited by Guarantee
Registration Number: 07523557 (England and Wales)

Statement of cash flows Year to 31 August 2020

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities			
Net cash provided by operating activities	A	984	6,038
Cash flows from investing activities:			
Dividends, Interest and rents from investments		6	5
Purchase of tangible fixed assets		(1,850)	(3,908)
Capital grants from DfE		151	477
Net cash used in investing activities		(1,693)	(3,426)
Change in cash and cash equivalents in the year		(709)	2,612
Cash and cash equivalents brought forward		4,227	1,615
Cash and cash equivalents carried forward	B	3,518	4,227

A. Reconciliation of net (expenditure) income to net cash flow provided by operating activities

	2020 £'000	2019 £'000
Net (expenditure) income for the year (as per statement of financial activities)	(5,839)	37,685
Adjustment for:		
Inherited pension deficit	—	1,392
Inherited tangible assets	—	(39,615)
Depreciation charges	5,386	2,666
Dividends, interest and rents from investments	(6)	(5)
Decrease in stocks	—	31
Decrease in debtors	1,377	2,351
(Decrease) increase in creditors	(482)	1,632
Capital grants from DfE and other capital income	(151)	(477)
Defined benefit scheme finance cost	77	67
Defined benefit pension scheme service cost less contributions paid	622	311
Net cash provided by operating activities	984	6,038

B. Analysis of cash and cash equivalents

	2020 £'000	2019 £'000
Cash in hand	3,518	4,227
Total	3,518	4,227

C. Analysis of changes in net debt

	At 1 September 2019 £'000	Cash flows £'000	At 31 August 2020 £'000
Cash	4,227	(709)	3,518
Total	4,227	(709)	3,518

Principal accounting policies 31 August 2020

Statement of 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.

Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are presented in sterling and rounded to the nearest thousand.

Company status

The academy is a company limited by guarantee. The members of the company are those listed in page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements. In making their assessment, the Trustees have considered the impact of Covid-19.

Income

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

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

Principal accounting policies 31 August 2020

Income (continued)

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

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

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

Tangible fixed assets

All assets costing more than £2,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

- ◆ Leasehold property 4% straight line
- ◆ Leasehold improvements 10% straight line
- ◆ Computer equipment 33% straight line
- ◆ Motor vehicles 20% 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 incorporating income and expenditure account.

Investments

Investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Operating leases

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

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Principal accounting policies 31 August 2020

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.

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.

Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. 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 instruments.

Taxation

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

Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities.

The academy trust also acts as an agent in distributing the NCTL's training and salary grant to cover training costs for salaried trainees to achieve qualified teacher status. Grant monies received and the subsequent disbursement to lead school are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The element of grant monies received in relation to staff based at the academy trust has been recognised in the statement of financial activities.

Principal accounting policies 31 August 2020

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Designated funds represent those funds set aside for the future replacement of the surfaces of 39 pitches at Sandringham School and Ridgeway Academy.

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 3 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.

Critical areas of judgement

The Governors have reviewed the asset lives and residual values of all fixed assets classes, and have concluded that asset lives and residual values are appropriate.

Notes to the financial statements Year to 31 August 2020

1 Income from donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2020 Total funds £'000	2019 Total funds £'000
Other donations	32	—	—	32	51
Capital grants	—	—	151	151	528
	32	—	151	183	579

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2019 Total funds £'000
Other donations	51	—	—	51
Capital grants	—	—	528	528
	51	—	528	579

2 Funding for Academy's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
DfE/ESFA grants				
General Annual Grant (GAG)	—	16,729	16,729	14,679
Pupil premium	—	407	407	469
Lagged funding	—	—	—	1,022
Catch up funding	—	33	33	27
CLA	—	4	4	27
Other DfE/ESFA grants	—	55	55	20
	—	17,228	17,228	16,244
Other government grants				
Local Authority grants	—	322	322	417
NCTL grant	—	68	68	156
Sport England	—	24	24	24
SSCO	—	—	—	28
Bursary funding	—	29	29	—
	—	443	443	625
Exceptional government funding				
Coronavirus exceptional support	—	54	54	—
	—	54	54	—
Other funding				
Other income	868	—	868	1,149
	868	17,725	18,593	18,018

2 Funding for Academy's educational operations (continued)

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>2019 Total funds £'000</i>
<i>DfE/ESFA grants</i>			
<i>General Annual Grant (GAG)</i>	—	14,679	14,679
<i>Pupil premium</i>	—	469	469
<i>Lagged funding</i>	—	1,022	1,022
<i>Catch up funding</i>	—	27	27
<i>CLA</i>	—	27	27
<i>Other DfE/ESFA grants</i>	—	20	20
	—	16,244	16,244
<i>Other government grants</i>			
<i>Local Authority grants</i>	—	417	417
<i>NCTL grant</i>	—	156	156
<i>Sport England</i>	—	24	24
<i>SSCO</i>	—	28	28
	—	625	625
<i>Other funding</i>			
<i>Other income</i>	86	1,063	1,149
	86	17,932	18,018

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- ◆ The funding received for coronavirus exceptional support covers £54,791 of costs relating to additional cleaning equipment and supplies, as well as free school meal vouchers. These costs are included in notes 5 and 6 below as appropriate.

Notes to the financial statements Year to 31 August 2020

3 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
Hire of facilities	320	—	320	528
Miscellaneous income	537	—	537	1,551
	857	—	857	2,079

	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000
<i>Hire of facilities</i>	528	—	528
<i>Miscellaneous income</i>	1,551	—	1,551
	2,079	—	2,079

4 Investment income

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
Investment income	6	—	6	5

	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000
<i>Investment income</i>	5	—	5

Notes to the financial statements Year to 31 August 2020

5 Expenditure

	Staff costs £'000	Premises £'000	Other costs £'000	2020 Total funds £'000	2019 Total funds £'000
<i>Expenditure on raising funds</i>					
. Direct costs	—	—	98	98	253
. Allocated support costs	19	7	10	36	116
<i>Academy's educational operations</i>					
. Direct costs	12,647	4,039	866	17,552	14,665
. Allocated support costs	3,354	2,601	1,836	7,791	6,952
	<u>16,020</u>	<u>6,647</u>	<u>2,810</u>	<u>25,477</u>	<u>21,986</u>

	Staff costs £'000	Premises £'000	Other costs £'000	2019 Total funds £'000
<i>Expenditure on raising funds</i>				
. Direct costs	23	—	230	253
. Allocated support costs	55	31	30	116
<i>Academy's educational operations</i>				
. Direct costs	11,243	2,001	1,421	14,665
. Allocated support costs	3,299	1,901	1,752	6,952
	<u>14,620</u>	<u>3,933</u>	<u>3,433</u>	<u>21,986</u>

This is stated after charging:

	2020 £'000	2019 £'000
Operating lease rentals	49	44
Depreciation	5,386	2,666
Auditor's remuneration – audit	17	16
Auditor's remuneration – other services	7	8

Notes to the financial statements Year to 31 August 2020

6 Charitable activities - academy's educational operations

	2020 Total funds £	2019 Total funds £
Direct costs	17,552	14,665
Support costs	7,791	6,949
	25,343	21,614

	2020 Total funds £	2019 Total funds £
Analysis of support costs		
Support staff costs	3,354	3,297
Depreciation	1,347	664
Technology costs	253	127
Premises costs	1,254	1,233
Legal costs – other	9	16
Other support costs	1,546	1,256
Governance costs	28	356
Total support costs	7,791	6,949

7 Staff

(a) Staff costs

Staff costs during the year were:

	2020 Total funds £	2019 Total funds £
Wages and salaries	11,525	10,105
Social security costs	1,210	1,120
Pension costs	3,257	3,196
	15,992	14,421
Supply teacher costs	28	199
	16,020	14,620

(b) Staff numbers

The average numbers of persons (including senior management team) employed by the Academy during the year was as follows:

Charitable activities	2020 No.	2019 No.
Teachers	239	210
Administration and support	254	240
Management	27	24
	520	474

7 Staff costs (continued)

(c) Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) fell within the following bands was:

	2020 No.	2019 No.
£60,001 - £70,000	6	6
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£100,001 - £110,000	1	1
£120,001 - £130,000	1	1

Of the above employees 9 (2019: 9) participated in the Teachers' Pension Scheme. During the year ended 31 August 2020, pension contribution for these staff amounted to £83,692 (2019: £75,238).

(d) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employers pension and national insurance contributions) received by key management personnel for their services to the academy trust was £914,603 (2019: £543,150).

8 Trustees' remuneration and expenses

One Trustee was paid remuneration or has received other benefits from an employment with the academy trust. The Principal only receives remuneration in respect of services he provides undertaking the roles of principal under his contract of employment, and not in respect of his role as Trustee. The value of Trustees' remuneration and other benefits was as follows:

	2020 £	2019 £
A Gray		
. Remuneration	125,000 - 130,000	120,000 - 125,000
. Pension contributions paid	—	—

During the year ended 31 August 2020, no Trustee received any reimbursement of expenses (2019: none).

9 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 Governors and officers indemnity element from the overall cost of the RPA scheme.

Notes to the financial statements Year to 31 August 2020

10 Comparative statement of financial activities

Analysis of income and expenditure in the year ended 31 August 2019 between restricted and unrestricted funds:

	Notes	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2019 Total funds £'000
Income from:					
Donations and capital grants	1	51	—	528	579
Transfer on conversion		3	(580)	19,944	19,367
Transfer on academies joining the Trust		764	(812)	19,871	19,623
Charitable activities	2	86	17,932	—	18,018
Other trading activities	3	2,079	—	—	2,079
Investments	4	5	—	—	5
Total income		2,988	16,540	40,143	59,671
Expenditure on:					
Raising funds		372	—	—	372
Charitable activities		831	18,117	2,666	21,614
Total expenditure	5	1,203	18,117	2,666	21,986
Net income (expenditure) before transfers		1,785	(1,577)	37,477	37,685
Transfers between funds	17	—	—	—	—
Net income (expenditure) before other recognised gains and losses		1,785	(1,577)	37,477	37,685
Actuarial losses on defined benefit pension scheme	21	—	(1,407)	—	(1,407)
Net movement in funds		1,785	(2,984)	37,477	36,278
Reconciliation of funds					
Total fund balances brought forward at 1 September 2018		884	(844)	21,898	21,938
Total fund balances carried forward at 31 August 2019		2,669	(3,828)	59,375	58,216

Notes to the financial statements Year to 31 August 2020

11 Central services

The Company has provided the following central services to its academies during the period.

- ◆ Leadership and management;
- ◆ Financial services;
- ◆ HR services;
- ◆ IT services; and
- ◆ School improvement services.

All other services are split equally between the three academies.

The actual amounts charged during the year were as follows:

	2020 Total £'000	2019 Total £'000
Veralam Trust	70	65
Ridgeway School	70	65
Sandrinham School	70	65
	210	195

12 Tangible fixed assets

	Leasehold property £'000	Furniture and equipment £'000	Computer equipment £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 September 2019	66,347	689	549	28	67,613
Additions	864	394	578	14	1,850
At 31 August 2020	67,211	1,083	1,127	42	69,463
Depreciation					
At 1 September 2019	8,526	318	359	4	9,207
Charge for the year	4,446	370	552	18	5,386
At 31 August 2020	12,972	688	911	22	14,593
Net book value					
At 31 August 2020	54,239	395	216	20	54,870
At 31 August 2019	57,821	371	190	24	58,406

During the year, the useful economic lives of fixed assets across the Trust were aligned, resulting in a one-off additional charge in Sandringham and Verulam Schools.

Buildings transferred upon conversion

No academies joined the group or opened during 2019/20 (2018/19 – two).

Notes to the financial statements Year to 31 August 2020

13 Fixed asset investments

	Unlisted securities £
Market value	
At 1 September 2019 and 31 August 2020	1

14 Debtors

	2020 £'000	2019 £'000
Trade debtors	334	80
Other debtors	155	361
Prepayments and accrued income	161	1,697
Tax recoverable	265	154
	915	2,292

15 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	527	560
Other taxation and social security	278	327
Other creditors	615	323
Accruals and deferred income	786	1,479
	2,206	2,689

	2020 £'000	2019 £'000
Deferred income		
Deferred income at 1 September 2019	700	320
Resources deferred during the year	723	700
Amounts released from previous years	(700)	(320)
Deferred income at 31 August 2020	723	700

At the balance sheet date the academy trust was holding grants received in advance for the following academic year. The trust was also holding funds received in advance for trips and clubs booked for the following academic year.

16 Funds

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	—	16,729	(16,512)	(217)	—
Pupil Premium	—	407	(348)	—	59
Catch up funding	10	33	(29)	—	14
CLA	13	4	(17)	—	—
Other restricted funds	142	499	(641)	—	—
Bursary	14	29	(30)	—	13
Sport England	14	24	(24)	—	14
Pension reserve	(4,021)	—	(699)	70	(4,650)
	(3,828)	17,725	(18,300)	(147)	(4,550)
Restricted fixed asset funds					
Transfer on conversion	57,912	—	(5,386)	1,632	54,158
DfE/ESFA capital grants	35	151	—	—	186
Assets funded by revenue funds	—	—	—	526	526
HCC Capital grants	1,428	—	—	(1,428)	—
	59,375	151	(5,386)	730	54,870
Total restricted funds	55,547	17,876	(23,686)	583	50,320
General funds	2,625	1,762	(1,791)	(547)	2,049
Designated funds	44	—	—	34	78
Total unrestricted funds	2,669	1,762	(1,791)	(513)	2,127
Total funds	58,216	19,638	(25,477)	70	52,447

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the Education & Skills Funding Agency by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the academy.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

The other material restricted general funds represent incoming resources for the following specific purposes:

- ◆ Other government grants received for the flexible provision of services for secondary aged pupils.
- ◆ Pupil premium grant allocated to schools with pupils that are known to be eligible for free school meals to raise attainment for pupils from low incomes.

17 Funds (continued)

The pension reserve represents the net deficit on the Local Government Pension Scheme (LGPS) defined benefit pension scheme. The deficit arose because of the pension scheme deficit inherited on conversion and future GAG funding agreed by the Education & Skills Funding Agency is expected to be sufficient to take the fund back into surplus

Fixed asset fund

The restricted fixed asset fund includes the freehold land and buildings and all material items of fixtures, fittings and equipment. Depreciation charged on the assets is allocated to the fund.

Designated funds

During the year the Trustees took the decision to set aside an additional amount of £34,000 (£44,000) for future replacement of the surfaces of the 3G pitches at Sandringham School and Ridgeway Academy.

Notes to the financial statements Year to 31 August 2020

17 Funds (continued)

Comparative information

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

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	—	14,679	(14,679)	—	—
Pupil Premium	—	468	(468)	—	—
Lagged funding	—	1,022	(1,022)	—	—
Catch up funding	—	27	(17)	—	10
CLA	—	27	(14)	—	13
Other grants	—	21	(21)	—	—
Local Authority grants	—	417	(417)	—	—
Other restricted funds	—	1,219	(1,063)	—	156
Sport England	—	24	(10)	—	14
SSCO	—	28	(28)	—	—
Pension reserve	(844)	(1,392)	(378)	(1,407)	(4,021)
	(844)	16,540	(18,117)	(1,407)	(3,828)
Restricted fixed asset funds					
Transfer on conversion	17,548	39,615	(2,666)	3,415	57,912
DfE/ESFA capital grants	—	528	—	(493)	35
HCC Capital grants	4,350	—	—	(2,922)	1,428
	21,898	40,143	(2,666)	—	59,375
Total restricted funds	21,054	56,683	(20,783)	(1,407)	55,547
General funds	884	2,988	(1,203)	(44)	2,625
Designated funds	—	—	—	44	44
Total unrestricted funds	884	2,988	(1,203)	—	2,669
Total funds	21,938	59,671	(21,986)	(1,407)	58,216

Notes to the financial statements Year to 31 August 2020

17 Funds (continued)

Analysis of fund balance by academy

	2020 £'000	2019 £'000
Fund balances at 31 August 2020 were allocated as follows:		
Alban Academies Trust	716	1,116
Sandringham School	676	927
Verulam School	807	791
Ridgeway Academy	28	28
Total before fixed asset fund and pension reserve	2,227	2,862
Restricted fixed asset fund	54,870	59,375
Pension reserve	(4,650)	(4,021)
Total	52,447	58,216

Analysis of academies by cost

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	2020 Total £'000	2019 Total £'000
Alban Academies Trust	211	6	1	67	285	—
Sandringham School	5,693	1,794	334	1,561	9,382	9,405
Verulam School	3,988	930	262	912	6,092	6,330
Ridgeway Academy	2,727	671	273	671	4,342	4,177
	12,619	3,401	870	3,211	20,101	19,912

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	2019 Total £'000
Alban Academies Trust	—	—	—	—	—
Sandringham School	5,490	1,197	304	2,414	9,405
Verulam School	3,455	1,379	318	1,178	6,330
Ridgeway Academy	2,103	998	251	825	4,177
	11,048	3,574	873	4,417	19,912

Notes to the financial statements Year to 31 August 2020

18 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2020 Total funds £'000	2019 Total funds £'000
Tangible fixed assets	—	—	54,870	54,870	58,406
Current assets	2,127	2,306	—	4,433	6,519
Creditors due within one year	—	(2,206)	—	(2,206)	(2,689)
Provisions for liabilities and charges	—	(4,650)	—	(4,650)	(4,021)
	2,127	(4,550)	54,870	52,447	58,216

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2019 Total funds £'000
Tangible fixed assets	—	—	58,406	58,406
Current assets	2,669	2,881	969	6,519
Creditors due within one year	—	(2,689)	—	(2,689)
Provisions for liabilities and charges	—	(4,021)	—	(4,021)
	2,670	(3,829)	59,375	58,216

19 Capital commitments

At 31 August 2020 the academy had capital commitments as follows:

	2020 £'000	2019 £'000
Contracted for but not provided in these financial statements	1,171	—

20 Commitments under operating leases

Operating leases

At 31 August 2020, the total of the Academy's future minimum lease payments under non-cancellable operating leases was as follows:

	2020 £'000	2019 £'000
Amounts due within one year	37	27
Amounts due between two and five years inclusive	85	22
	122	49

21 Pension commitments

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

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

21 Pension commitments (continued)

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 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.

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; and
- ◆ 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. The 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 period amounted to £2,015,347 (2019: £1,402,865).

A copy of the valuation report and supporting documentation is on the [Teachers' Pension Scheme website](#). 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.

21 Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £805,000 (2019: £765,000), of which employer's contributions totalled £645,000 (2019: £616,000) and employees' contributions totalled £160,000 (2019: £149,000). The agreed contribution rates for future years are 25.3% for employers and 5.5%- 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust 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 %
Discount rate for scheme liabilities	1.7	1.8
Inflation assumptions (CPI)	2.2	2.3
Rate of increase in salaries	2.6	2.1
Rate of increase for pensions in payment/inflation	2.2	2.3

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

	2020	2019
<i>Retiring today</i>		
Males	21.9	21.5
Females	24.1	23.7
<i>Retiring in 20 years</i>		
Males	22.8	22.3
Females	25.5	25.0

The Academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2020 £'000	Fair value at 31 August 2019 £'000
Equities	4,891	3,923
Corporate bonds	3,229	3,121
Property	830	641
Cash and other liquid assets	277	320
Total market value of assets	9,227	8,005
Present value of scheme liabilities:		
Funded	(13,877)	(12,026)
Deficit in the scheme	(4,650)	(4,021)

Notes to the financial statements Year to 31 August 2020

21 Pension commitments (continued)

Local Government Pension Scheme (continued)

Sensitivity analysis	2020 £'000	2019 £'000
Discount rate +0.1%	(315)	(293)
Discount rate -0.1%	315	293
CPI rate +0.1%	291	254
CPI rate -0.1%	(291)	(254)

Amounts recognised in statement of financial activities	2020 £'000	2019 £'000
Current service cost	622	305
Past service cost	—	6
Interest income	(151)	(197)
Interest cost	228	264
Total amount recognised in the SOFA	699	378

Changes in the present value of defined benefit obligations were as follows:	2020 £'000	2019 £'000
At 1 September 2019	(12,026)	(3,633)
Conversion of academy trusts	—	(5,329)
Current service cost	(1,267)	(921)
Past service cost	—	(6)
Interest cost	(228)	(264)
Employee contributions	(160)	(149)
Actuarial loss	(332)	(1,815)
Benefits paid	136	91
At 31 August 2020	(13,877)	(12,026)

Changes in the fair value of the Academy's share of scheme assets:	2020 £'000	2019 £'000
At 1 September 2019	8,005	2,789
Upon conversion	—	3,937
Interest income	—	—
Actuarial gain	402	408
Expected gain on assets	151	197
Employer contributions	645	616
Employee contributions	160	149
Benefits paid	(136)	(91)
At 31 August 2020	9,227	8,005

22 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.

23 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Other than certain trustees' remuneration and expenses already disclosed in note 10, the only related party transactions that took place in the year were as follows:

During the year ended 31 August 2020, incoming resources totalling £213,381 (2019: £70,109) were recognised from Alban Teaching School Alliance Limited for services rendered and expenditure of £4,875 (2018: £4,528) was paid to Alban Teaching School Alliance Limited. Alban Teaching School Alliance Limited is related by virtue of A Gray, a governor, being a director of Alban Teaching School Alliance Limited. At the year end, there was £145,526 (2019: £nil) included in trade debtors.

The academy trust conducted the above related party transactions 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 their financial regulations and procurement procedures.

24 Agency agreements

The academy trust distributes 16-19 bursary funds to the students as an agent for the ESFA. During the year ended 31 August 2020, the trust received £28,503 (2019: £20,459) and disbursed £15,399 (2019: £17,600) from the fund.

The academy trust distributed training grants to local schools and bursaries to qualifying ITT teachers as an agent for the NCTL. During the year ended 31 August 2020, the trust received £1,106,482 (2019: £899,558) on behalf of third parties and disbursed £1,106,482 (2019: £899,558). There were no outstanding undistributed bursaries and salary payments as at the year end or at the prior year end.

25 Post balance sheet events

On 1 September 2020, Wheatfields Junior School and Wheatfields Infants' and Nursery School joined the academy trust. The operations, buildings, pension obligations and fund balances from these academies were transferred to the academy trust for £nil consideration.