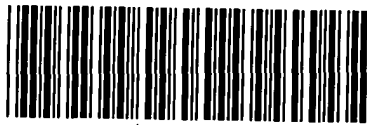


Company Registration Number: 07755713 (England & Wales)

ALPHA TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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ALPHA TRUST
(A company limited by guarantee)

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ALPHA TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr R Cooke
Mr J Hartley
Mr M Heasman
Mr G Randall
Mrs J Thomas

Trustees

Mr A Blundell
Mrs J Blaxill (resigned 21 November 2018)
Mr R Cooke
Ms L Gous
Mr L Jones, Chair of Trustees
Mr I Mosley
Mr A Keeble
Mr G Simpson
Mrs G Marshall, CEO
Ms D Emm
Mr A Charnock (appointed 19 October 2018)

Company registered number

07755713

Company name

Alpha Trust

Principal and registered office

Colchester County High School for Girls, Norman Way, Colchester, Essex, C03 3US

Company Secretary and Chief Finance Officer

Lyndon Hopkins

Chief Executive Officer and Accounting Officer

Gillian Marshall

Independent auditors

MHA Larking Gowen, 1 Claydon Business Park, Great Blakenham, Ipswich, IP6 0NL

Solicitors

Veale Wasborough Vizards, 24 King William St, London, EC4R 9AT

ALPHA TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law. The Trustees confirm that the Annual Report and Financial Statements of the Trust comply with the current statutory requirements, the requirements of the trust's governing document and the provisions of the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' issued in 2015.

The trust comprises two schools, Colchester County High School for Girls, an 11-19 selective school with 982 students, and The Gilberd School, an 11-16 comprehensive with 1560 students. The students at CCHSG are from the local area but also other parts of Essex and Suffolk. The students at the Gilberd School are all from a local catchment area.

Structure, governance and management

a. Constitution

In March 2018 Colchester County High School for Girls changed its company name to Alpha Trust and subsequently on 1st April 2018 converted to a Multi Academy Trust incorporating The Gilberd School, Brinkley Lane, Colchester CO4 9PU.

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association Articles of Association as most recently amended on 21 March 2018 is the primary governing document of the multi academy trust.

The Trustees of Alpha Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Alpha Trust.

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

b. Members' liability

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

c. Trustees' indemnities

Third party indemnity insurance was acquired during the year. The total amount of cover was for £5,000,000 and the cost of the policy was £596.

ALPHA TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The management of the academy is the responsibility of the Trustees who are appointed under the terms of the Memorandum of Association.

The trust board comprises:

- Ten trustees appointed by the members (currently 9)
- The CEO (ex Officio)

The Local Governing Body of Colchester County High School for Girls comprises:

- up to 5 governors appointed by the trustees
- a minimum of 2 parent governors appointed by ballot of parents of registered students (currently 1)
- 2 staff governors appointed through the process of a ballot of staff (currently 1)
- the Headteacher (ex officio)
- up to 3 co opted governors appointed by the members

The Local Governing Body of The Gilberd School comprises:

- up to 7 governors appointed by the trustees
- a minimum of 2 parents governors appointed by ballot of parents of registered students
- 2 staff governors appointed through the process of a ballot of staff
- The Headteacher (ex-officio)
- 3 student governors appointed through the process of ballot by registered students

Trustees are appointed for a term of 4 years, at the end of their term they may be re appointed or re elected for a further term, provided that they remain eligible. When vacancies for trustees arise, the members will seek candidates within the local or school community who offer relevant skills to the trust board.

e. Policies adopted for the induction and training of Trustees

All new trustees will be given an opportunity to tour the trust academies and the chance to meet with staff and students. They will be provided with copies of trust policies, minutes, accounts, budgets, plans and other relevant documents that they will need to undertake their role.

All new governors to an LGB will be given the opportunity to tour the school and the chance to meet staff and students. They will be provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. As there are normally only two or three new governors a year, much of the induction tends to be done informally and is tailored specifically to the individual. However, all new governors are expected to enrol on an 'Induction for New Governors' course run by Essex Governor Services (EGS), to which the governing body subscribes.

Governors are encouraged to participate in the EES training programme, and other external training, where relevant to their and the Academy's needs, and are provided with access to relevant specialist information web sites. Governors' meetings regularly include presentations from school staff on a variety of topics of interest so as to keep them informed. The governors participate in the NEETSA excellence in Governance training.

ALPHA TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

f. Organisational structure

The management structure consists of four levels: the Trustees, the Headteacher board, the Local Governing Body & committees and the Senior Leadership Team (SLT).

The trustees are responsible for setting overarching policy in conjunction with the Headteacher board, adopting an annual plan and budget, monitoring the trust academies by use of key performance indicators and financial reporting, making major decisions about the direction of the trust, capital expenditure and senior staff appointments.

The local governing body are responsible for setting local policy, recommending an annual plan and budget, monitoring the school by the use of key performance indicators and budgets and to assist in the making of decisions about the direction of the academy, capital expenditure and senior staff appointments.

Committees of the Trustees and Local Governing Body have delegated responsibilities.

The main trust committees, which normally meet once each term, are: The Trust Board, Resources (HR & Finance), Audit, and Pay Committee.

The Headteacher Board meets nine times per year to consider trust wide issues and seek to align all schools within the trust; this includes reviewing and recommending policies and procedures to their respective LGB's.

The local committees can be structured how each LGB requires but should consider the following areas: Curriculum & Student Matters, Finance & Premises, Personnel, and Health & Safety.

The senior leadership team (SLT) in each school comprises the Headteacher / Principal, deputy headteachers / vice principal, assistant headteachers / vice principals and the school business manager along with any associates or senior support staff appointed. These managers control the schools within the trust at an executive level implementing the policies laid down by the trustees or LGB and reporting back to them. The CEO is the Accounting Officer for the trust.

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

The trustees consider the scheme of delegation which indicates the Board of Trustees, the CEO, Headteachers, Deputy Headteachers, CFO and School Business Managers comprise the key management personnel, in charge of directing and controlling, running and operating the trust schools on a day to day basis.

The salaries of the CEO, CFO and Executive Head teacher are set by the pay committee following a rigid annual Performance Management Review (PMR) process and are aligned to salaries they have researched in other similar size trusts.

The salaries of the schools senior leadership teams and business professionals are based on annual PMR process and are set within recognised national scales for both teachers and support staff. The trust pay committee meets each autumn to review and approve any increments based on the completed PMR and recommendations by each head teacher.

ALPHA TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	6
Full-time equivalent employee number	4

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	6
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £

Total cost of facility time	-
Total pay bill	-
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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i. Related parties and other connected charities and organisations

No sponsors or other related parties either control or significantly influence the decisions and operations of the Multi Academy Trust.

The trustees also operate CCHSG Trading Ltd, a currently dormant company, on which the CEO and two trustees act as directors.

Colchester County High School for Girls is the lead school in the North East Essex Teaching School Alliance (NEETSA) and for Colchester Teacher Training Consortium (CTTC) and as such the trustees and accounting officer are legally responsible for its funding, accounts returns and governance.

The trust or members of it do not have a controlling influence over any other organisation apart from those mentioned above and The Gilbert School.

The Colchester County High School for Girls School Private Fund supports the school and shares similar charitable aims, as does the Parent Teacher & Friends Association. Both are registered charities.

ALPHA TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities

a. Objects and aims

The principal object of the trust is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum and in doing so it meets the requirements of its Funding Agreements.

It is central to the philosophy of the trust that its schools' students will:

- learn in an orderly, disciplined atmosphere, following the local Code of Conduct;
- develop the capacity for creative, independent thought and problem solving;
- be able to communicate ideas in English and at least one modern foreign language at CCHSG.
- develop appropriate technological skills and one MFL where appropriate at Gilberd.
- understand our economic and political environment;
- become effective citizens who have developed sound judgement, maturity and compassion;
- understand and respect social, moral and spiritual values in a multi cultural society and take part in cultural activities;
- appreciate and understand the environment; and
- become caring individuals who are valued and feel safe and secure.

b. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The trust's aims and achievements are set out within this report and all its charitable activities are undertaken to further its charitable purposes for the public benefit. The trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

ALPHA TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report

Achievements and performance

a. Key performance indicators

The total number of students on roll across the trust in the year to 31 August 2019 was 2,542, an increase of 46 from the previous year due to the increasing roll at CCHSG.

Colchester County High School for Girls had 982 students on roll in the year ending 31 August 2019. The school has a Published Admissions Number (PAN) of 160. As a selective school all places in Year 7 are filled each year, so pupil numbers in Years 7 to 11 remain relatively stable, in turn providing financial stability. The 982 students included 202 Sixth Form students; here the academy aims to recruit around 120 each year, but this is subject to greater fluctuation.

The Gilberd School had 1560 students on roll in the year ending 31 August 2019. The school has a Published Admissions Number (PAN) of 300 but is currently oversubscribed by 60 students. The Gilberd School is currently rated outstanding by Ofsted.

Income

The General annual grant (GAG) income for the trust was £11,688,572.

Other income including revenue grants, sales, hire of facilities etc, but excluding capital was £3,701,506.

Pupil Ratios

The overall GAG income per pupil in the accounts was £4,598.

Staffing Ratios

In schools where the aim is to provide high quality education to young people, staff costs will be a relatively high proportion of income and expenditure.

Staff costs relative to GAG funding were £7,692,003

Staff costs as a percentage of GAG income 90%

Total staff costs £10,514,531

Total staff cost as a percentage of overall income (excluding capital) 68.3%.

b. Going concern

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

ALPHA TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

c. Achievements & performance

The Multi Academy Trust's principal aim is to provide, for the public benefit, outstanding education to able students between the ages of 11 and 19. This enables the students to achieve outstanding academic results.

In 2018-19 the schools within the trust achieved the following results:

Colchester County High School for Girls

At A level students again achieved a 100% pass rate with 58.6% gaining A* or A which included 28.8% A* and 81.2% of all grades were A*/B.

At GCSE students achieved 89.6% 9/8/7 which included 74.1% at 9/8, an outstanding achievement.

The Progress measure was +1.01 and the Attainment measure was 82

The school holds an outstanding rating from Ofsted and is rated the best in East Anglia and in the top 5% of schools nationally.

The Gilberd School

At GCSE students achieved 52% 9 to 5 and 75% of grades 9 to 4

The Progress measure was +0.31 and the Attainment 8 measure was 50.6

The attainment 8 score is high, especially compared to schools in Essex with a similar prior attainment.

Financial review

a. Reserves policy

The trustees review the reserve levels of the trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. They are committed to maintaining a reserve sufficient to cover between one and two months' salary and allow the academy to cope with any projected deficits for the foreseeable future. The cost of meeting this is expected to be £900,000. The trust currently has no foreseeable deficit issues due to reserves being substantially above this level.

The trust held fund balances of £31,539,138 at 31 August 2019 made up as follows:

Unrestricted funds of £2,237,269 are held as a general reserve to provide sufficient working capital to cover delays between spending and receipt of grants and as such cushion to deal with unexpected emergencies. These funds will also help to protect the academy from the impact of the reducing future funding detailed above.

Restricted general funds of £225,754 including GAG.

Managed funds held for the North East Essex Teaching School Alliance (NEETSA) and the Colchester Teacher Training Consortium (CTTC) of £306,637.

Restricted fixed asset funds of £34,653,473.

Restricted pension fund deficit of (£5,884,000). This liability does not have an immediate cash flow impact but as

ALPHA TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

the deficit increases or decreases over time, so the contributions made towards it will increase or decrease.

b. Investment policy

The trust seeks to maximise returns from its investments, but with the overriding consideration being minimising risk and maintaining flexibility and access to funds. Surplus funds are kept within short and long term deposit accounts.

c. Principal risks and uncertainties

The trustees have assessed the major risks to which the trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the trust and its finances. The trustees have implemented a number of systems to assess risks that the trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors following safer recruitment guidance, supervision of school grounds with enhanced security) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The trust has an effective system of internal financial controls and this is explained in more detail in the following statement.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The trust is subject to a number of risks and uncertainties, in common with other Multi Academy Trusts. It has in place procedures to identify and mitigate financial risks, and these are explained further in the Risk Management section of this report and in the Governance Statement.

A significant number of the Trust's staff belong to the Local Government Pension Scheme, which results in the recognition of a significant pension reserve within the balance sheet as detailed in Notes 20 and 27.

The Trustees have assessed the principal risks and uncertainties facing the Multi Academy Trust as:

- Non compliance with safeguarding legislation.
- Ofsted rating lower than 'Outstanding' following an inspection.
- Sixth Form student intake numbers below expectations.
- Budget, financial and accounting information and processes not robust.
- Inadequate supply, recruitment, induction and development of appropriately qualified/experienced staff.
- Inadequate development and execution of facilities plans.
- Inadequate consideration of health and safety of students, staff, contractors and the public whilst on school premises and school trips.
- Changes in Government policy in relation to academies generally, and selective schools.

All these (and other lesser) risks are captured in the trust's risk register, with clear ownership of both risk and mitigation, with review of risks being a standing agenda item for meetings of both the Trust Board and Local Governing Body and their subordinate committees.

Notwithstanding the successful financial outcome of this year, the financial outlook continues to be uncertain with a combination of ongoing changes in both income and expenditure resulting in a challenging future.

ALPHA TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

The trust's principal income will continue to be provided by the Education & Skills Funding Agency, based upon formulae agreed through the Essex Schools Forum; this was fully reviewed for 2017-18.

d. Annual review

Most of the trust income is obtained from the Education & Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. These grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The schools within the trust have been in receipt of capital grants for building from the ESFA through the Condition Improvement Fund (CIF). In accordance with the SORP 2015, such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund, except where they are used for maintenance. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2019, the total expenditure of £13,418,746 (excluding NEETSA, CTTC and restricted fixed asset expenditure) (2018 - £8,237,376) all of which was spent in furtherance of the trust's objectives was more than covered by recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the year was £276,601 (2018 - £2,601,580) and the year-end balance of these funds was £2,463,023 (2018 - £3,035,849). The net movement on unrestricted and restricted funds (excluding CTTC, NEETSA and the pension reserve) was a deficit of £572,826 (2018 - £2,510,848 surplus).

At 31 August 2019 the Net Book Value of fixed assets was £33,007,786 and movements in tangible fixed assets are shown in Note 14 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the trust.

In accordance with FRS102, the trust received an actuarial assessment of the local government pension schemes. The deficit balance is included within the balance sheet as at 31 August 2019 and supporting notes to the accounts, Note 27.

ALPHA TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Plans for future periods

The mission of this trust and its schools is to prepare resilient and responsible leaders, who are able to compete in a global economy. We promote high aspiration and excellence. We are unashamedly ambitious for the future success of our students.

We aim to:

- Enable students to cope emotionally, physically and spiritually with the pressures and demands of life.
- Provide a broad, well balanced and personalised curriculum.
- Provide the highest quality education for students, to enable them to achieve excellence in public examinations.
- Provide access to the highest quality further education and employment.

The trust has initiated growth plans and in September 2019 will be joined by Manningtree High School, a comprehensive 16-19 school based in the Lawford area on Manningtree with 860 students. In January 2020 Home Farm Primary School, based in Shelley Road, Colchester with 300 students will join the trust.

The development of a free school (Trinity School) towards the northern edge of Colchester is scheduled for September 2021 (secondary) and 2023 (primary).

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The academy carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The academy has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the academy's equal opportunities policy, the academy has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the academy's offices.

Managed funds

The trust manages the North East Essex Teaching School Alliance (NEETSA) and the Colchester Teacher Training Consortium (CTTC).

These are partnerships consisting of many local schools that have come under the lead of CCHSG and therefore the trust.

As the legal entity the funds are considered and accounted for within the Alpha Trust annual return and are then separately audited and reported to DfE and NCTL.

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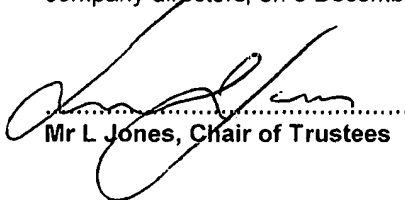
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 5 December 2019 and signed on its behalf by:



Mr L Jones, Chair of Trustees

ALPHA TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, and CFO, 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 Alpha Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 4 times during the year.

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

Trustee	Meetings attended	Out of a possible
Mr A Blundell	1	4
Mrs J Blaxill	1	1
Mr R Cooke	3	4
Ms L Gous	4	4
Mr L Jones, Chair of Trustees	4	4
Mr I Mosley	1	4
Mr A Keeble	0	4
Mr G Simpson	4	4
Mrs G Marshall, CEO	4	4
Ms D Emm	4	4
Mr A Charnock	3	4

The Trust Board has assigned roles and responsibilities to an audit committee. This committee reviews the risks to internal financial control at the Academy Trust and agrees a programme of work that will address these risks, inform the statement of internal control and, so far as is possible, provide assurance to the external auditor. The trustees have procured EES Financial Services to undertake a supplementary programme of work and produce a written report providing feedback on how the Academy's financial affairs are being discharged. The report indicates action points identifying any areas for improvement; the Audit Committee monitors compliance with any recommendations.

This provides the Trust Board with assurance that:

- the financial responsibilities of the Trust Board are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained; and
- financial considerations are fully taken into account in reaching decisions.

The trustees and local governors receive a range of data from the schools senior teams covering academic performance, attendance, student and staff issues along with financial and premises reports. This information is discussed and analysed at various committee meetings and where necessary external supporting evidence is requested or produced.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The trustees are assured that the data provided to them is of the highest quality and they are satisfied it gives them sufficient information about the schools progress, risks and uncertainties to make effective plans for the future. Risk registers are reviewed at each committee meeting.

During the course of the year trustees have regularly reviewed their meetings and management of the trust and have implemented changes to procedure to ensure that governance is effective.

Trustees are carefully selected for their knowledge and skills and regularly attend training and planning days. They are challenged by the CEO and Headteacher Board in respect of policy and decisions made to ensure they always carefully consider every option available to them. Trustees have been actively engaged in the Excellence in Governance program delivered by NEETSA on behalf of ECC and work closely with the local governing bodies of the trust and other governing bodies to share best practice.

The trust board are seeking to align local governing body meetings in composition, content and number of meetings and to strengthen membership by seeking individuals with specifically required skills.

The Resources Committee and the Audit Committee are subcommittees of the main Trust Board along with Local Governing Bodies. Their purpose is to fulfil the following responsibilities:

- the initial review and recommendation of the annual budget;
- the regular monitoring of actual expenditure and income against budget;
- ensuring that annual accounts are produced in accordance with statutory and DfE guidance; and
- reviewing the reports of the external provider on the effectiveness of the financial procedures and controls and monitoring compliance with any recommendations.

Attendance at Resources Committee meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr L Jones, Chair of Trustees	3	3
Mr A Keeble	3	3
Mr G Simpson	2	3
Ms L Gous	3	3
Mrs G Marshall, CEO	3	3
Mr A Charnock	2	3

Attendance at Audit Committee meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr G Simpson	2	2
Ms D Emm	2	2
Mr I Mosley	1	2
Mrs G Marshall, CEO	2	2

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- Regularly reviewing the staff structures and functions within the schools of the trust in conjunction with the Headteachers Board.
- Instigating regular reviews of service contracts
- Working in conjunction with schools within the trust and others to obtain value through joint procurement and benchmarking against other schools as a part of this process.
- Raising student attainment to the highest

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 Alpha Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees 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 board of Trustees 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

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GOVERNANCE STATEMENT (CONTINUED)

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

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Juniper Education as internal auditor to carry out regular checks throughout the year and confirm procedures were being followed in accordance with the financial regulations and academy's handbook.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems.

On a quarterly basis, the internal auditor reports to the board of Trustees, CEO and CFO regarding the findings of their inspections and there are then reviewed and discussed at the trust audit committee meeting. Any actions that are recommended are taken prior to the next inspection date and approved by the audit committee.

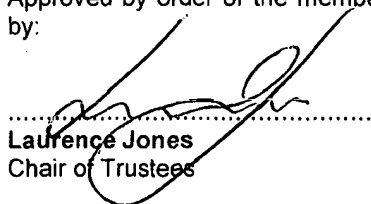
Review of effectiveness

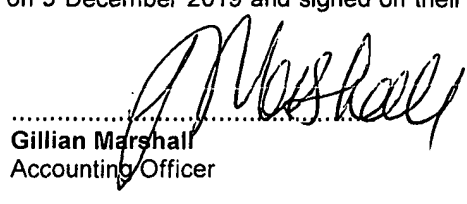
As accounting officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the 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 audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on 5 December 2019 and signed on their behalf by:


Laurence Jones
Chair of Trustees


Gillian Marshall
Accounting Officer

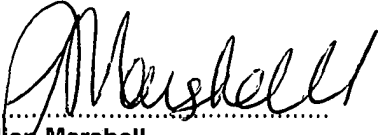
ALPHA TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Alpha Trust I have considered my responsibility to notify the academy 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, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2018.

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


.....
Gillian Marshall
Accounting Officer
Date: 5 December 2019

ALPHA TRUST
(A company limited by guarantee)

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

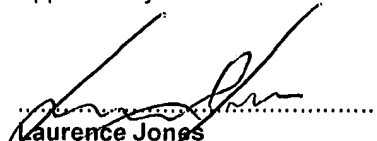
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees and signed on its behalf by:


Laurence Jones
Chair of Trustees

Date: 5 December 2019

ALPHA TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ALPHA TRUST

Opinion

We have audited the financial statements of Alpha Trust (the 'academy') for the year ended 31 August 2019 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy 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.

ALPHA TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ALPHA TRUST (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

ALPHA TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ALPHA TRUST (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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.

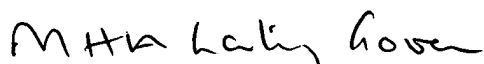
Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Giles Kerkham DChA FCA (Senior statutory auditor)

for and on behalf of
Larking Gowen LLP

Chartered Accountants
Statutory Auditors

Ipswich

12 December 2019

ALPHA TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ALPHA TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 29 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Alpha Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Alpha Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Alpha Trust's funding agreement with the Secretary of State for Education dated 1 October 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

ALPHA TRUST
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Larking Gowen LLP

Chartered Accountants
Statutory Auditors

Ipswich

Date: 12 December 2019

ALPHA TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants:	3					
Transfer in of existing academies joining the Trust		-	-	-	-	18,833,257
Capital grants		-	-	2,184,836	2,184,836	1,698,912
Donations		-	101,331	-	101,331	83,981
Charitable activities:						
CTTC		-	1,528,920	-	1,528,920	1,257,890
NEETSA		-	165,811	-	165,811	97,301
Schools		1,073,027	12,260,060	-	13,333,087	8,183,137
Other trading activities		190,449	58,362	-	248,811	200,829
Investments	6	11,718	400	-	12,118	6,704
Total income		1,275,194	14,114,884	2,184,836	17,574,914	30,362,011
Expenditure on:						
Charitable activities:						
CTTC		-	1,452,073	-	1,452,073	1,241,425
NEETSA		-	128,785	-	128,785	106,514
Schools		1,073,769	12,718,018	1,973,722	15,765,509	9,186,429
Total expenditure		1,073,769	14,464,835	1,807,763	17,346,367	10,534,368
Net income/(expenditure) before transfers		201,425	(349,951)	377,073	228,547	19,827,643
Transfers between funds	20	134,733	(1,114,160)	979,427	-	-
Net movement in funds before other recognised gains/(losses)		336,158	(1,464,111)	1,356,500	228,547	19,827,643
Actuarial losses on defined benefit pension schemes	27	-	(787,000)	-	(787,000)	512,000
Net movement in funds		336,158	(2,251,111)	1,356,500	(558,453)	20,339,643

ALPHA TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted funds - class ii 2019 £	Total funds 2019 £	Total funds 2018 £
Reconciliation of funds:					
Total funds brought forward	1,901,111	(3,100,498)	33,296,978	32,097,591	11,757,948
Net movement in funds	336,158	(2,251,111)	1,356,500	(558,453)	20,339,643
Total funds carried forward	2,237,269	(5,351,609)	34,653,478	31,539,138	32,097,591

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 29 to 61 form part of these financial statements.

ALPHA TRUST
(A company limited by guarantee)

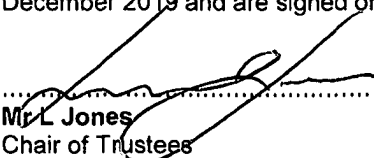
BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	33,007,786	31,784,740
Investments		1	1
		<u>33,007,787</u>	<u>31,784,741</u>
Current assets			
Stocks	16	6,724	8,511
Debtors	17	3,091,019	2,180,089
Cash at bank and in hand		3,763,795	4,422,571
		<u>6,861,538</u>	<u>6,611,171</u>
Creditors: amounts falling due within one year	18	(2,070,208)	(1,470,321)
Net current assets		<u>4,791,330</u>	<u>5,140,850</u>
Total assets less current liabilities		<u>37,799,117</u>	<u>36,925,591</u>
Creditors: amounts falling due after more than one year	19	(375,979)	(270,000)
Net assets excluding pension liability		<u>37,423,138</u>	<u>36,655,591</u>
Defined benefit pension scheme liability	27	(5,884,000)	(4,558,000)
Total net assets		<u><u>31,539,138</u></u>	<u><u>32,097,591</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	20	34,653,478	33,296,978
Restricted income funds	20	532,391	1,457,502
		<u>35,185,869</u>	<u>34,754,480</u>
Restricted funds excluding pension asset	20	35,185,869	34,754,480
Pension reserve	20	(5,884,000)	(4,558,000)
Total restricted funds	20	<u>29,301,869</u>	<u>30,196,480</u>
Unrestricted income funds	20	<u>2,237,269</u>	<u>1,901,111</u>
Total funds		<u><u>31,539,138</u></u>	<u><u>32,097,591</u></u>

ALPHA TRUST
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

The financial statements on pages 24 to 61 were approved by the Trustees, and authorised for issue on 05 December 2019 and are signed on their behalf, by:



.....
Mr L Jones
Chair of Trustees

The notes on pages 29 to 61 form part of these financial statements.

ALPHA TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22	(1,036,492)	2,629,326
Cash flows from investing activities	24	244,750	72,637
Cash flows from financing activities	23	132,966	300,000
Change in cash and cash equivalents in the year		(658,776)	3,001,963
Cash and cash equivalents at the beginning of the year		4,422,571	1,420,608
Cash and cash equivalents at the end of the year	25	<u>3,763,795</u>	<u>4,422,571</u>

The notes on pages 29 to 61 form part of these financial statements

ALPHA TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. 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.

1.1 Basis of preparation of financial statements

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

The financial statements are presented in Sterling (£).

1.2 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 the funders where the asset acquired or created is held for a specific purpose.

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

1.3 Colchester Teacher Training Consortium

The accounts include the results of the Colchester Teacher Training Consortium (CTTC). The CTTC activities are presented separately in income, expenditure and restricted funds. CTTC reports to the National College of Teaching and Leadership for the period 31 July and these accounts include CTTC's results up to that date, one month before the Trust's year end.

ALPHA TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.4 Income

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

- **Grants**

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

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

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

- **Sponsorship income**

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

- **Donations**

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

- **Other income**

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

1.5 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.

ALPHA TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.5 Expenditure (continued)

- **Charitable activities**

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 resources expended are inclusive of irrecoverable VAT.

1.6 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.7 Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

ALPHA TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Buildings	- 2% straight line
Swimming pool enclosure, gym and hall roof	- 6.67% straight line
Furniture and equipment	- 20% straight line
Motor vehicles	- 20% straight line
Computer equipment and software	- 20% and 33% straight line respectively

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

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities incorporating income and expenditure account.

1.9 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.

1.10 Interest receivable

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

1.11 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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.12 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.

ALPHA TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.13 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.

1.14 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.

1.15 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. 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 cost as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

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**NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.16 Pensions

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Transfer in of existing academies joining the Trust	-	-	-	-	18,833,257
Capital grants	-	-	2,184,836	2,184,836	1,698,912
Donations	-	101,331	-	101,331	83,981
	-	101,331	2,184,836	2,286,167	20,616,150
<i>Total 2018</i>	<i>1,509,183</i>	<i>(1,566,839)</i>	<i>20,673,806</i>	<i>20,616,150</i>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

4. Funding for the Trust's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	11,688,572	11,688,572	7,201,712
Other ESFA/government grants	-	559,361	559,361	224,631
Colchester Teacher Training Consortium (CTTC)	-	1,528,920	1,528,920	1,257,948
	-	13,776,853	13,776,853	8,684,291
Other government grants				
North East Essex Teaching School Alliance (NEETSA)	-	165,811	165,811	97,301
	-	165,811	165,811	97,301
Other income from educational operations				
Catering income	325,863	15	325,878	313,577
Trip income	603,472	-	603,472	336,116
Equipment sales	1,863	6,772	8,635	11,522
Subject sales	58,686	5,340	64,026	39,345
Music services	83,143	-	83,143	56,176
	1,073,027	12,127	1,085,154	756,736
	1,073,027	13,954,791	15,027,818	9,538,328
Total 2018	756,736	8,781,592	9,538,328	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

5. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Hiring of facilities	58,120	55,058	113,178	46,437
Charges for additional education services	132,329	3,304	135,633	154,392
	<u>190,449</u>	<u>58,362</u>	<u>248,811</u>	<u>200,829</u>
<i>Total 2018</i>	<u>200,829</u>	<u>-</u>	<u>200,829</u>	

6. Investment income

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Short term deposits	11,718	400	12,118	6,704
	<u>11,718</u>	<u>400</u>	<u>12,118</u>	<u>6,704</u>
<i>Total 2018</i>	<u>6,704</u>	<u>-</u>	<u>6,704</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

7. Charitable activities

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Activities:					
Direct costs	9,132,944	-	3,997,340	13,130,284	8,491,451
Support costs	1,381,587	1,694,753	1,139,743	4,216,083	2,042,917
	<u>10,514,531</u>	<u>1,694,753</u>	<u>5,137,083</u>	<u>17,346,367</u>	<u>10,534,368</u>
Total 2018	<u><u>6,169,784</u></u>	<u><u>685,406</u></u>	<u><u>3,679,178</u></u>	<u><u>10,534,368</u></u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Charitable activities	<u>13,130,284</u>	<u>4,216,083</u>	<u>17,346,367</u>	<u>10,534,368</u>
Total 2018	<u><u>8,491,451</u></u>	<u><u>2,042,917</u></u>	<u><u>10,534,368</u></u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Staff costs	1,381,587	1,381,587	761,515
Agency support staff costs	49,008	49,008	51,549
Pupil recruitment and support	69,488	69,488	57,779
Maintenance of premises and equipment	1,414,954	1,414,954	374,128
Cleaning	279,799	279,799	161,031
Rates and water	112,853	112,853	68,167
Insurance	66,027	66,027	44,579
Travel and subsistence	7,196	7,196	2,338
Catering	-	-	12,636
Bank interest and charges	6,985	6,985	10,350
Heat and light	140,079	140,079	78,302
Technology	166,304	166,304	116,554
Supplies, printing and telephone	151,102	151,102	119,945
Professional services	274,836	274,836	130,291
Governance - Professional costs	72,427	72,427	52,682
Governance - Trustee expenses	732	732	825
Indirect employee expenses	22,706	22,706	246
	<u>4,216,083</u>	<u>4,216,083</u>	<u>2,042,917</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	<i>2018 £</i>
Depreciation of tangible fixed assets	836,005	499,413
Fees paid to auditors for:		
- audit	17,300	11,500
- other services	9,000	6,410
	<u>836,005</u>	<u>516,923</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	7,954,873	4,789,572
Social security costs	737,595	431,445
Pension costs	1,757,181	1,069,926
	<u>10,449,649</u>	<u>6,290,943</u>
Agency staff costs	36,519	51,549
Staff restructuring costs	30,000	-
Supply teacher costs	(1,637)	11,346
	<u><u>10,514,531</u></u>	<u><u>6,353,838</u></u>

Staff restructuring costs comprise:

	2019 £	2018 £
Severance payments	30,000	-
	<u><u>30,000</u></u>	<u><u>-</u></u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non statutory/non contractual severance payments totalling £30,000 (2018 - £Nil). Individually the payments were: £30,000 (2018 - £Nil).

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	152	147
Administration and Support	155	168
Management	16	14
	<u><u>323</u></u>	<u><u>329</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. Staff costs (continued)

d. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	4	4
In the band £70,001 - £80,000	3	-
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-
In the band £120,001 - £130,000	1	-

Five (2018: three) of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2019 pension contributions for these staff amounted to £61,597 (2018: £36,833).

Key management personnel comprises the Chief Executive Officer, Chief Finance Officer and Executive Head. The total number of staff considered to be key management personnel is 3 (2018: 8) and they received aggregate employment benefits in the year ended 31 August 2019 of £360,808 (2018: £388,244).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

11. Central services

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

- Contribution towards CEO, CFO & Executive Head salary
- Contribution towards Trust Finance Manager salary
- Contribution towards Trust Compliance Officer salary
- Contribution towards CEO PA salary
- FFT subscription
- EES finance support
- EES Internal Control Evaluation
- Trust schools insurance
- EES HR and legal service
- Governor training/subscription
- Employee Assistance Programme
- Orovia BPS budget software
- PS Financials Accounting software
- Trust legal services
- Payroll and clerking costs

The academy charges for these services on the following basis:

The trust charges for these services by transferring 4% of the Pupil Led Factors and 16-19 allocation element of GAG funding received from ESFA. These charges commenced on 1 April 2018, when the two schools came together.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Colchester County High School for Girls	170,736	64,900
The Gilbert School	292,452	111,570
Total	463,188	176,470

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

12. Trustees' remuneration and expenses

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

		2019 £	2018 £
Mrs G Marshall, CEO and Executive Principal	Remuneration	120,000 - 125,000	105,000 - 110,000
	Pension contributions paid	15,000 - 20,000	15,000 - 20,000
Miss D Murison, Staff Governor	Remuneration		30,000 - 35,000
	Pension contributions paid		5,000 - 10,000
Mrs S Stinson, Staff Governor	Remuneration		20,000 - 25,000
	Pension contributions paid		0 - 5,000
Mr D Mucklow, Staff Governor	Remuneration		30,000 - 35,000
	Pension contributions paid		5,000 - 10,000

During the year ended 31 August 2019, travel and subsistence expenses totalling £1,000 were reimbursed or paid directly to 1 trustee (2018: £825 to 1 trustee).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2019 was £596 (2018 - £564). The cost of this insurance is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

14. Tangible fixed assets

	Freehold property £	Leasehold property £	Furniture and fixtures £	Computer equipment £	Motor vehicles £	Assets in the course of construction £	Total £
Cost or valuation							
At 1 September 2018	32,607,279	89,142	464,770	482,643	13,268	212,169	33,869,271
Additions	-	-	35,889	117,002	-	1,906,160	2,059,051
At 31 August 2019	32,607,279	89,142	500,659	599,645	13,268	2,118,329	35,928,322
Depreciation							
At 1 September 2018	1,555,328	1,428	233,716	291,771	2,288	-	2,084,531
Charge for the year	664,601	-	83,206	82,707	5,491	-	836,005
At 31 August 2019	2,219,929	1,428	316,922	374,478	7,779	-	2,920,536
Net book value							
At 31 August 2019	30,387,350	87,714	183,737	225,167	5,489	2,118,329	33,007,786
At 31 August 2018	31,051,951	87,714	231,054	190,872	10,980	212,169	31,784,740

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

15. Fixed asset investments

**Shares in
group
undertakings
£**

Market value

At 1 September 2018 and 31 August 2019

1

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name

CCHSG Trading Limited

Holding

100%

The aggregate of share capital and reserves as at 31 August 2019 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

**Aggregate
of share
capital and
reserves Profit/(loss)
£**

CCHSG Trading Limited

1

-

Investments at market value comprise:

**2019 2018
£ £**

Group

1

1

All the fixed asset investments are held in the UK.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

16. Stocks

	2019 £	2018 £
Finished goods and goods for resale	6,724	8,511

17. Debtors

	2019 £	2018 £
Trade debtors	47,275	73,730
Other debtors	565,389	475,331
Prepayments and accrued income	2,478,355	1,631,028
	<u>3,091,019</u>	<u>2,180,089</u>

18. Creditors: Amounts falling due within one year

	2019 £	2018 £
CIF loans	56,987	30,000
Trade creditors	1,107,242	500,195
Other taxation and social security	193,223	190,436
Other creditors	172,119	168,711
Accruals and deferred income	540,637	580,979
	<u>2,070,208</u>	<u>1,470,321</u>

Deferred Income

	2019 £	2018 £
Deferred income at 1 September 2018	92,641	107,431
Resources deferred during the year	265,383	92,641
Amounts released from previous periods	(92,641)	(107,431)
	<u>265,383</u>	<u>92,641</u>

The main elements of deferred income are charges received in advance for trips and music tuition and business rates relief.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. Creditors: Amounts falling due after more than one year

	2019	2018
	£	£
CIF loans	375,979	270,000

CIF loans of £300,000 relate to the expansion project at Colchester County High School for Girls which has been provided at a fixed interest rate of 1.23%. The loan was advanced in 2018 and repaid over a period of 10 years with monthly repayments starting from September 2019.

CIF loans of £28,802 relate to the pipework project at Colchester County High School for Girls and will be repaid over a period of 5 years ending in 2022.

Salix loans of £75,000 and £29,164 relate to the pipework project at Colchester County High School for Girls and will be repaid over a period of 8 years ending in 2025 and 2027 respectively.

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds - all funds	1,901,111	1,275,194	(1,073,769)	134,733	-	2,237,269
Restricted general funds						
Other restricted funds	21,063	163,293	(159,682)	-	-	24,674
General Annual Grant (GAG)	1,113,675	12,256,860	(12,185,295)	(984,160)	-	201,080
NEETSA (North East Essex Teaching School Alliance)	43,797	165,811	(128,785)	-	-	80,823
Colchester Teacher Training Consortium (CTTC)	278,967	1,528,920	(1,452,073)	(130,000)	-	225,814
Pension reserve	(4,558,000)	-	(539,000)	-	(787,000)	(5,884,000)
	<u>(3,100,498)</u>	<u>14,114,884</u>	<u>(14,464,835)</u>	<u>(1,114,160)</u>	<u>(787,000)</u>	<u>(5,351,609)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	1,421,719	-	(30,490)	979,427	-	2,370,656
DfE/ESFA capital grants	3,560,368	2,317,802	(1,054,977)	-	-	4,823,193
Transfer on joining Trust	28,614,891	-	(722,296)	-	-	27,892,595
Capital loans	(300,000)	(132,966)	-	-	-	(432,966)
	<u>33,296,978</u>	<u>2,184,836</u>	<u>(1,807,763)</u>	<u>979,427</u>	<u>-</u>	<u>34,653,478</u>
Total Restricted funds	<u>30,196,480</u>	<u>16,299,720</u>	<u>(16,272,598)</u>	<u>(134,733)</u>	<u>(787,000)</u>	<u>29,301,869</u>

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20. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Total funds	32,097,591	17,574,914	(17,346,367)	-	(787,000)	31,539,138

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

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

The other restricted funds has been created to recognise the restricted grant funding received for capital projects.

The NEETSA fund represents income and expenditure received by the Academy in relation to the teaching school grants.

The pension reserve has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

The restricted fixed assets fund has been set up to recognise the tangible fixed assets gifted to the academy upon conversion by the local authority and also those purchased by the academy following conversion that have been funded from GAG and other capital grants. Depreciation charged on those tangible assets is allocated to the fund.

The restricted fixed asset fund represents the total amount of capital grants received. The monies spent on fixed assets and refurbishment works are therefore allocated to this fund. Depreciation charged on fixed asset purchases is allocated to this fund.

The CTTC fund represents income and expenditure received by Colchester Teacher Training Consortium which is based in Colchester, Essex to provide high quality teacher training in partnership with 18 local schools and colleges.

Capital loans are due for repayment as detailed in Note 19.

Transfers were to Restricted Fixed Asset funds from GAG reflecting funding of asset purchases.

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

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

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	As restated 2018 £
Colchester County High School for Girls	718,150	774,570
The Gilbert School	1,639,580	2,243,233
CTTC	225,815	278,967
NEETSA	80,823	43,797
Central Services	105,292	18,046
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	2,769,660	3,358,613
Restricted fixed asset fund	34,653,478	33,296,978
Pension reserve	(5,884,000)	(4,558,000)
	<hr/>	<hr/>
Total	31,539,138	32,097,591

During the year central recharges in 2018 were reviewed and reallocated. This had no impact on the total funds before fixed asset funds and pension reserve.

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Colchester County High School for Girls	3,028,715	643,707	556,236	1,233,244	5,461,902	5,168,147
The Gilbert School	5,991,156	654,383	575,886	1,791,895	9,013,320	3,355,576
Central Services	113,073	83,497	-	181,896	378,466	163,293
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Academy	9,132,944	1,381,587	1,132,122	3,207,035	14,853,688	8,687,016

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

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Unrestricted funds						
General Funds - all funds	490,968	2,468,204	(1,058,061)	-	-	1,901,111
Restricted general funds						
Other restricted funds	20,168	112,865	(111,970)	-	-	21,063
General Annual Grant (GAG)	13,865	8,257,887	(7,067,345)	(90,732)	-	1,113,675
NEETSA (North East Essex Teaching School Alliance)	53,009	97,301	(106,513)	-	-	43,797
Colchester Teacher Training Consortium (CTTC)	262,444	1,257,948	(1,241,425)	-	-	278,967
Pension reserve	(2,219,000)	(2,506,000)	(345,000)	-	512,000	(4,558,000)
	<u>(1,869,514)</u>	<u>7,220,001</u>	<u>(8,872,253)</u>	<u>(90,732)</u>	<u>512,000</u>	<u>(3,100,498)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	1,402,104	-	(120,033)	139,648	-	1,421,719
Restricted Fixed Asset Funds - all funds	1,715,013	1,698,912	(104,641)	(48,916)	-	3,260,368
DfE/ESFA capital grants	10,019,377	18,974,894	(379,380)	-	-	28,614,891
	<u>13,136,494</u>	<u>20,673,806</u>	<u>(604,054)</u>	<u>90,732</u>	<u>-</u>	<u>33,296,978</u>

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20. Statement of funds (continued)

	£	£	£	£	£	Balance at 31 August 2018 £
Total Restricted funds	<u>11,266,980</u>	<u>27,893,807</u>	<u>(9,476,307)</u>	<u>-</u>	<u>512,000</u>	<u>30,196,480</u>
Total funds	<u>11,757,948</u>	<u>30,362,011</u>	<u>(10,534,368)</u>	<u>-</u>	<u>512,000</u>	<u>32,097,591</u>

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	33,007,786	33,007,786
Fixed asset investments	-	1	-	1
Current assets	2,211,151	2,571,729	2,078,658	6,861,538
Creditors due within one year	26,118	(2,039,339)	(56,987)	(2,070,208)
Creditors due in more than one year	-	-	(375,979)	(375,979)
Provisions for liabilities and charges	-	(5,884,000)	-	(5,884,000)
Total	<u>2,237,269</u>	<u>(5,351,609)</u>	<u>34,653,478</u>	<u>31,539,138</u>

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21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	-	31,784,740	31,784,740
Fixed asset investments	-	1	-	1
Current assets	3,341,432	1,457,501	1,812,238	6,611,171
Creditors due within one year	(1,440,321)	-	(30,000)	(1,470,321)
Creditors due in more than one year	-	-	(270,000)	(270,000)
Provisions for liabilities and charges	-	(4,558,000)	-	(4,558,000)
Total	1,901,111	(3,100,498)	33,296,978	32,097,591

22. Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for the year (as per Statement of financial activities)	228,547	19,827,643
Adjustments for:		
Depreciation	836,005	499,413
Capital grants from DfE and other capital income	(2,317,802)	(1,698,912)
Defined benefit pension scheme obligation transferred from existing academies joining Trust	-	2,506,000
Defined benefit pension scheme finance cost	117,000	86,000
Decrease/(increase) in stocks	1,787	(5,075)
Increase in debtors	(910,930)	(752,210)
Increase in creditors	599,018	869,475
Defined benefit pension scheme cost less contributions payable	422,000	259,000
Fixed assets transferred from existing academies on joining trust	-	(18,955,304)
Interest receivable	(12,117)	(6,704)
Net cash (used in)/provided by operating activities	(1,036,492)	2,629,326

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23. Cash flows from financing activities

	2019 £	2018 £
Cash inflows from new borrowings	132,966	300,000
Net cash provided by financing activities	132,966	300,000

24. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	12,117	6,704
Purchase of tangible fixed assets	(2,085,169)	(1,632,979)
Capital grants from DfE Group	2,317,802	1,698,912
Net cash provided by investing activities	244,750	72,637

25. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	3,763,795	4,422,571
Total cash and cash equivalents	3,763,795	4,422,571

26. Capital commitments

	2019 £	2018 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	-	965,923

27. Pension commitments

The academy trust's employees belong to two principal pension schemes: the Teachers' 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 Essex County Council. Both are multi-employer defined benefit schemes.

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27. Pension commitments (continued)

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The previous actuarial valuation was carried out as at 31 March 2012 and determined the contributions for the period, which were paid at a rate of 16.48%. This rate has been paid since September 2015.

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%).

in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

The employer's pension costs paid to TPS in the year amounted to £1,335,181 (2018 - £833,926).

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 has accounted for its contributions to the scheme as if it were a defined contribution scheme.

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27. Pension commitments (continued)

Scheme changes

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £518,000 (2018 - £306,000), of which employer's contributions totalled £400,000 (2018 - £236,000) and employees' contributions totalled £118,000 (2018 - £70,000). The agreed contribution rates for future years are 20.4% rising to 24.4% per cent for employers and 5.5% - 11.4% per cent for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.90	2.65
Inflation assumption (CPI)	2.20	2.30

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

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27. Pension commitments (continued)

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.3	22.3
Females	23.6	24.8
<i>Retiring in 20 years</i>		
Males	23.0	24.5
Females	25.4	27.1

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	(237,000)	(187,000)
Discount rate -0.1%	243,000	191,000
Mortality assumption - 1 year increase	394,000	274,000
Mortality assumption - 1 year decrease	(380,000)	(265,000)
CPI rate +0.1%	215,000	170,000
CPI rate -0.1%	(210,000)	(167,000)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	2,739,000	2,286,000
Gilts	239,000	192,000
Other bonds	244,000	209,000
Property	347,000	320,000
Cash and other liquid assets	126,000	122,000
Alternative assets and other managed	648,000	460,000
Total market value of assets	4,343,000	3,589,000

The actual return on scheme assets was £222,960 (2018 - £136,000).

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27. Pension commitments (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2019 £	2018 £
Current service cost	(822,000)	(495,000)
Interest income	101,000	59,000
Interest cost	(216,000)	(145,000)
Administrative expenses	(2,000)	(2,000)
Total amount recognised in the Statement of financial activities	(939,000)	(583,000)

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

	2019 £	2018 £
At 1 September	8,147,000	3,634,000
Transferred in on existing academies joining the trust	-	4,329,000
Current service cost	822,000	495,000
Interest cost	216,000	143,000
Employee contributions	118,000	70,000
Actuarial losses/(gains)	1,004,000	(435,000)
Benefits paid	(80,000)	(89,000)
At 31 August	10,227,000	8,147,000

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

	2019 £	2018 £
At 1 September	3,589,000	1,415,000
Transferred in on existing academies joining the trust	-	1,823,000
Interest income	101,000	59,000
Actuarial gains	217,000	77,000
Employer contributions	400,000	236,000
Employee contributions	118,000	70,000
Benefits paid	(80,000)	(89,000)
Administration expenses	(2,000)	(2,000)
At 31 August	4,343,000	3,589,000

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28. Operating lease commitments

At 31 August 2019 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Within 1 year	34,951	38,365
Between 1 and 5 years	44,937	102,351
After more than 5 years	-	5,747
	<u>79,888</u>	<u>146,463</u>

29. 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 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 cease to be a member.

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30. 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.

Colchester County High School for Girls Private Fund supports the school and shares similar charitable aims, as does the Parent Teacher Association. Both are Registered Charities.

The Colchester County High School for Girls Private Fund made donations to the academy totalling £82,668 (2018: £83,981) during the year. At 31 August 2019 donations totalling £35,452 (2018: £26,525) had been promised but not yet paid to the academy.

The PTA made donations to the academy totalling £18,277 (2018: 9,713) during the year. At 31 August 2019 donations totaling £2,035 (2018: £nil) had been promised but not yet paid to the academy.

Consultancy fees of £918 (2018: £1,673) were paid to John Hartley Education Consultants Limited. Mr J Hartley is a member of Alpha Trust and is a director and shareholder of John Hartley Education Consultants Limited. There were no amounts outstanding at 31 August 2019 (2018: £nil).

Room hire fees of £50 (2018: £nil) were paid to Univeristy of Essex Campus Services Limited. Mr. A Keeble is a trustee of Alpha Trust and is a director of University of Essex Campus Services Limited. There were no amounts outstanding at 31 August 2019 (2018: £nil).

Kent Blaxhill & Co Ltd is a local builders' merchant of which the husband of Mrs J Blaxhill, a Trustee (resigned 21 November 2018), is managing director. Up to 21 November 2018, there were purchases totalling £607 (2018: £nil), relating mainly to building supplies. Following J Blaxhill's resignation as Trustee on 21 November 2018, Kent Blaxhill & Co Ltd are no longer considered a related party.

31. Post balance sheet events

On 1 September 2019 Manningtree High School joined the Alpha Trust.

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32. North East Essex Teaching School Alliance (NEETSA) trading account

	2019 £	2019 £	2018 £	2018 £
Income				
Direct income				
Grant income	135,153		69,730	
Other income				
Other income	30,658		27,571	
Total income		165,811		97,301
Expenditure				
Direct expenditure				
Direct staff costs	50,668		41,567	
Educational supplies and services	9,631		11,456	
Total direct expenditure	60,299		53,023	
Other expenditure				
IT costs	449		14	
Non educational supplies & services	14,615		12,435	
Staff development	53,422		41,042	
Total other expenditure	68,486		53,491	
Total expenditure		128,785		106,514
Surplus/(deficit) from all sources		37,026		(9,213)
Teaching school balances at 1 September 2018		43,797		53,010
Teaching school balances at 31 August 2019		80,823		43,797

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33. Colchester Teacher Training Consortium (CTTC) trading account

	2019 £	2019 £	2018 £	2018 £
Income				
Direct income				
Grant income	1,487,576		1,245,140	
Other income				
Other income	41,344		12,808	
Total income		1,528,920		1,257,948
Expenditure				
Direct expenditure				
Direct staff costs	202,404		191,112	
Staff development	53,800		27,268	
Educational supplies and services	1,011,214		846,745	
Total direct expenditure	1,267,418		1,083,136	
Other expenditure				
Support staff costs	84,630		81,280	
IT costs	7,262		1,978	
Recruitment and support	19,285		14,447	
Other support costs	73,478		60,584	
Building improvements	130,000		-	
Total other expenditure	314,655		158,288	
Total expenditure		1,582,073		1,241,425
Surplus/(deficit) from all sources		(53,153)		16,524
Teaching school balances at 1 August 2018		278,967		262,444
Teaching school balances at 31 July 2019		225,814		278,967