

**ALPHA TRUST**

**(A company limited by guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

SATURDAY



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22/12/2018 #124  
COMPANIES HOUSE

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**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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The company has five members one of which also acts as a trustee.

**Members**

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

**Trustees**

Mr A Blundell  
Mr M Ager (resigned 19 July 2018)  
Mr M Albano (resigned 19 April 2018)  
Mrs J Blaxill  
Mr A Charnock (resigned 19 April 2018)  
Mr R Cooke  
Mrs M Illsley (resigned 4 December 2017)  
Mr L Jones, Chair of Trustees  
Mr I Mosley  
Miss D Murison, Staff Governor (resigned 19 April 2018)  
Mrs S Stinson, Staff Governor (resigned 19 April 2018)  
Mrs G Marshall, CEO  
Mr D Mucklow, Staff Governor (resigned 19 April 2018)  
Mrs A James (resigned 19 April 2018)  
Mrs A Smith (resigned 19 April 2018)  
Mr E Bloomfield (resigned 19 April 2018)  
Ms D Emm (appointed 19 April 2018)  
Ms L Gous (appointed 19 April 2018)  
Mr A Keeble (appointed 19 April 2018)  
Mr G Simpson (appointed 19 April 2018)  
Mr A Bird (resigned 19 April 2018)  
Mr M Hart (resigned 11 October 2017)  
Ms J Millican (resigned 19 April 2018)  
Dr N Slee (resigned 19 April 2018)  
Mr A Bird (appointed 30 November 2016)  
Mrs J Millican (appointed 12 October 2016)  
Mrs N Slee (appointed 30 November 2016)

**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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**Advisers (continued)**

**Chief Executive Officer and Accounting Officer**

Gillian Marshall

**Independent auditors**

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

**Solicitors**

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

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. 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 936 students, and The Gilbert 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 Gilbert 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 1 April 2018 converted to a Multi Academy Trust incorporating The Gilbert School, Brinkley Lane, Colchester CO4 9PU.

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

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

The trustees act for charitable activities of Alpha Trust and are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Alpha Trust

Details of the members and Trustees who served during the 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. Method of recruitment and appointment or election of Trustees**

The management of the company is the responsibility of the trustees who are appointed under the terms of the Articles of Association.

The trust board comprises:

- Ten trustees appointed by the members (currently 10)
- 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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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- 2 staff governors appointed through the process of a ballot of staff
- the Headteacher (ex officio)
- up to 3 co opted governors appointed by the members (currently one)

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.

**d. Policies and procedures 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.

**e. Organisational structure / Trustee & Governors scope of responsibility**

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 twice per term 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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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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.

**f. 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 £564.

**g. 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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**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.

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**TRUSTEES' REPORT (continued)**  
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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.

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.

#### **b. Achievements and 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 2017-18 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 62% gaining A\* or A which included 26.3% A\*.  
At GCSE students achieved 89.3% A\*/A/9/8/7 which included 72.6% at A\*/9/8, an outstanding achievement.  
The Progress measure was +1.21 and the Attainment measure was 81.6

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 53% A\* to C/9 to 4 including English & Maths  
The Progress measure was +0.41 and the Attainment 8 measure was 50.3

#### **c. Public Benefit**

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.



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Achievements and performance**

**a. Key Financial Performance Indicators**

The total number of students on roll across the trust in the year to 31 August 2018 was 2,496, an increase of 1,623 from the previous year due to the increasing roll at CCHSG and The Gilberd joining the multi academy trust.

Colchester County High School for Girls had 936 students on roll in the year ending 31 August 2018. 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 936 students included 204 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 2018. The school has a Published Admissions Number (PAN) of 300 but is currently oversubscribed by 60 students. The Gilberd School is currently rated GOOD. Ofsted reported in March 2018 that the Gilberd "Has demonstrated strong practice and marked improvement in certain areas. This may indicate that the schools is improving towards being outstanding. Therefore, I am recommending that the schools next inspection be a section 5 inspection." This inspection was undertaken in November 2018 with publication of the result imminent.

**Income**

The General annual grant (GAG) Income for the trust was £ 7,201,712 which covered a full academic year for CCHSG and five months for the Gilberd School.

The accounts for 2018-19 will include both schools for a full year along with income from other schools that join the trust.

Other income including revenue grants, sales, hire of facilities etc, but excluding capital was £2,544,149.

**Pupil Ratios**

The overall GAG income per pupil in the accounts was £2,885 which in a full year would have been £4,541

**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 £6,775,353

Staff costs as a percentage of GAG income 94% (twelve months of CCHSG and five months of Gilberd)

Total staff costs £7,115,353

Total staff cost as a percentage of overall income (excluding capital) 74.5%.

**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 Statement of Accounting Policies.

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**TRUSTEES' REPORT (continued)**  
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**Financial review**

**a. Financial 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 2018 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 2018, the total expenditure of £10,534,368 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 (excluding the transfer from The Gilberd School, restricted fixed asset funds and the pension scheme deficit) was £130,125 and the year-end balance of these funds was £3,035,849.

At 31 August 2018 the Net Book Value of fixed assets was £31,784,740 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 2018 and supporting notes to the accounts, Note 25.

**b. 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 19 and 25.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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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 school.

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.

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.

**c. 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 £510,000. The trust currently has no foreseeable deficit issues due to reserves being substantially above this level.

The trust held fund balances of £32,097,591 at 31 August 2018 made up as follows:

Unrestricted funds of £1,901,111 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 £1,134,738 including GAG.

Restricted fixed asset funds of £33,296,978.

Restricted pension fund deficit of (£4,558,000). This liability does not have an immediate cash flow impact but as the deficit increases or decreases over time, so the contributions made towards it will increase or decrease.

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**TRUSTEES' REPORT (continued)**  
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**d. Pay Policy for 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.

Salaries are based on annual performance management reviews and are set within recognised national scales for both teachers and support staff. The pay committees meet each autumn to review and approve any increments.

**e. Investments 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.

**Plans for future periods**

**a. Future developments**

The trust has plans to grow and during the next year we anticipate two further schools joining the trust alongside the development by September 2021 of a free school (Trinity School) towards the northern edge of Colchester.

**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.

**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 the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 5 December 2018 and signed on its behalf by:

  
Mr L Jones, Chair of Trustees

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**GOVERNANCE STATEMENT**

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**Scope of Responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that which incorporates Colchester County High School for Girls and The Gilberd School 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 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 2 times since the formation of the Multi Academy Trust in April 2018. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Ager	2	2
Mrs J Blaxill	1	2
Mr A Blundell	2	2
Mr R Cooke	2	2
Ms D Emm	2	2
Ms L Gous	2	2
Mr L Jones, Chair of Trustees	2	2
Mr A Keeble	2	2
Mr I Mosley	1	2
Mr G Simpson	2	2
Mrs G Marshall, CEO	2	2

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 Resources and the Audit Committees are sub-committees of the main Board of Trustees. Their purpose is to fulfill 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.

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**GOVERNANCE STATEMENT (continued)**

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The Resources and Audit Committees were established post formation of the Multi Academy Trust, and first met in the Autumn term 2018.

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

Trustee	Meetings attended	Out of a possible
Mr M Ager	0	0
Ms L Gous	0	0
Mr L Jones, Chair of Trustees	0	0
Mr A Keeble	0	0
Mrs G Marshall, CEO	0	0

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

Trustee	Meetings attended	Out of a possible
Mrs J Blaxill	0	0
Ms D Emm	0	0
Mrs G Marshall, CEO	0	0
Mr I Mosley	0	0
Mr G Simpson	0	0

Meetings within the past year were fully attended by members of the various committees in both schools.

#### **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 ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place during the financial year and up to the date of approval of the annual report and financial statements.

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**GOVERNANCE STATEMENT (continued)**

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

**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 monthly financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Resources Committee and LGB Finance & Premises Committees 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 have considered the need for a specific internal controls evaluation audit and has decided to appoint EES of Schools as internal auditor. In the current reporting period this function was undertaken by Larking Gowen LLP and confirmed procedures were being followed in accordance with the financial regulations and academy's handbook.

The checks in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control accounts/bank reconciliations

**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 Resources and the Audit Committees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

**Trustee Effectiveness**

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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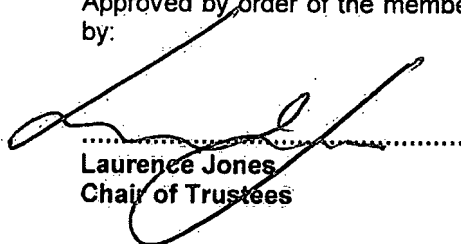
**GOVERNANCE STATEMENT (continued)**

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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.

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 Essex County Council and work closely with the local governing bodies of the trust and other governing bodies to share best practice.

Approved by order of the members of the Board of Trustees on 5 December 2018 and signed on their behalf, by:



.....  
Laurence Jones  
Chair of Trustees



.....  
Gillian Marshall  
Accounting Officer



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**ALPHA TRUST**  
(A company limited by guarantee)

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Alpha Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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

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**ALPHA TRUST**  
(A company limited by guarantee)

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

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

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

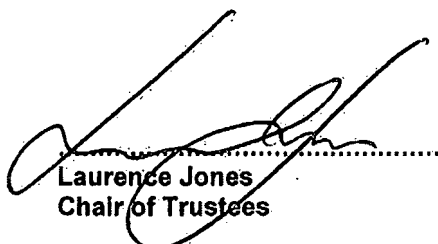
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 Trust Board and signed on its behalf by:



Laurence Jones  
Chair of Trustees

Date: 5 December 2018

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**ALPHA TRUST**  
**(A company limited by guarantee)**

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

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**Opinion**

We have audited the financial statements of Alpha Trust (the 'academy trust') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 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 trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 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 trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

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**ALPHA TRUST**  
**(A company limited by guarantee)**

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

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

**Matters on which we are required to report by exception**

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

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.

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**ALPHA TRUST**  
**(A company limited by guarantee)**

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

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**Responsibilities of trustees**

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

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

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

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

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

**Use of our report**

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

*Larking Gowen LLP*

Giles Kerkham DChA FCA (Senior statutory auditor)

for and on behalf of

**Larking Gowen LLP**

Chartered Accountants  
Statutory Auditors

Ipswich

Date: 16.12.2018

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**ALPHA TRUST**  
**(A company limited by guarantee)**

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

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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 2017 to 2018, 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Alpha Trust and the 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

The work undertaken to draw our conclusion includes, but is not limited to:

- Enquiry of senior management and the Trust's Directors;
- Inspection and review of the accounting records, meeting minutes, internal control procedures; management representations and declarations of interest; and
- Observation and re-performance of the financial controls.

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**ALPHA TRUST**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ALPHA TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

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**Conclusion**

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

*Larking Gowen LLP*

**Larking Gowen LLP**

Chartered Accountants  
Statutory Auditors

Ipswich

Date: 16.12.18

**ALPHA TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>Income from:</b>						
Donations & capital grants:						
Transfer in of existing						
academies joining the Trust	2	1,509,183	(1,650,820)	18,974,894	18,833,257	-
Capital grants	2	-	-	1,698,912	1,698,912	1,883,880
Donations	2	-	83,981	-	83,981	-
Other donations and capital						
grants	2	-	-	-	-	253,441
Charitable activities:	3					
CTTC		-	1,257,890	-	1,257,890	1,448,979
NEETSA		-	97,301	-	97,301	114,233
Schools		751,820	7,431,317	-	8,183,137	4,713,645
Other trading activities	4	200,497	332	-	200,829	174,591
Investments	5	6,704	-	-	6,704	491
<b>Total income</b>		<b>2,468,204</b>	<b>7,220,001</b>	<b>20,673,806</b>	<b>30,362,011</b>	<b>8,589,260</b>
<b>Expenditure on:</b>						
Charitable activities:						
CTTC		-	1,241,425	-	1,241,425	1,439,976
NEETSA		-	106,514	-	106,514	138,833
Schools		1,058,061	7,524,314	604,054	9,186,429	5,617,313
<b>Total expenditure</b>	7	<b>1,058,061</b>	<b>8,872,253</b>	<b>604,054</b>	<b>10,534,368</b>	<b>7,196,122</b>
<b>Net income / (expenditure) before transfers</b>		<b>1,410,143</b>	<b>(1,652,252)</b>	<b>20,069,752</b>	<b>19,827,643</b>	<b>1,393,138</b>
Transfers between Funds	20	-	(90,732)	90,732	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>1,410,143</b>	<b>(1,742,984)</b>	<b>20,160,484</b>	<b>19,827,643</b>	<b>1,393,138</b>
Actuarial gains on defined benefit pension schemes	25	-	512,000	-	512,000	93,000
<b>Net movement in funds</b>		<b>1,410,143</b>	<b>(1,230,984)</b>	<b>20,160,484</b>	<b>20,339,643</b>	<b>1,486,138</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		490,968	(1,869,514)	13,136,494	11,757,948	10,271,810
<b>Total funds carried forward</b>		<b>1,901,111</b>	<b>(3,100,498)</b>	<b>33,296,978</b>	<b>32,097,591</b>	<b>11,757,948</b>



**ALPHA TRUST**  
(A company limited by guarantee)  
REGISTERED NUMBER: 07755713

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Tangible assets	14		31,784,740		11,695,870
Investments	15		1		1
			<u>31,784,741</u>		<u>11,695,871</u>
<b>Current assets</b>					
Stocks	16	8,511		3,436	
Debtors	17	2,180,089		1,427,879	
Cash at bank and in hand		4,422,571		1,420,608	
		<u>6,611,171</u>		<u>2,851,923</u>	
<b>Creditors:</b> amounts falling due within one year	18	(1,470,321)		(570,846)	
<b>Net current assets</b>			<u>5,140,850</u>		<u>2,281,077</u>
<b>Total assets less current liabilities</b>			<u>36,925,591</u>		<u>13,976,948</u>
<b>Creditors:</b> amounts falling due after more than one year	19		(270,000)		-
<b>Net assets excluding pension scheme liabilities</b>			<u>36,655,591</u>		<u>13,976,948</u>
Defined benefit pension scheme liability	25		(4,558,000)		(2,219,000)
<b>Net assets including pension scheme liabilities</b>			<u><u>32,097,591</u></u>		<u><u>11,757,948</u></u>
<b>Funds of the academy</b>					
Restricted income funds:					
Restricted income funds	20	1,457,502		349,486	
Restricted fixed asset funds	20	33,296,978		13,136,494	
Restricted income funds excluding pension liability		34,754,480		13,485,980	
Pension reserve		(4,558,000)		(2,219,000)	
Total restricted income funds			<u>30,196,480</u>		<u>11,266,980</u>
Unrestricted income funds	20		<u>1,901,111</u>		<u>490,968</u>
<b>Total funds</b>			<u><u>32,097,591</u></u>		<u><u>11,757,948</u></u>

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**ALPHA TRUST**  
**(A company limited by guarantee)**

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**BALANCE SHEET (continued)**  
**AS AT 31 AUGUST 2018**

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The financial statements on pages 22 to 57 were approved by the Trustees, and authorised for issue, on 5 December 2018 and are signed on their behalf, by:



Mr L Jones  
Chair of Trustees

**ALPHA TRUST**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	22	<u>2,629,326</u>	<u>246,780</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		6,704	607
Purchase of tangible fixed assets		(1,632,979)	(364,703)
Capital grants from DfE Group		1,698,912	562,796
Capital funding received from sponsors and others		-	73,902
<b>Net cash provided by investing activities</b>		<u>72,637</u>	<u>272,602</u>
<b>Cash flows from financing activities:</b>			
Cash inflows from new borrowing		300,000	-
<b>Net cash provided by financing activities</b>		<u>300,000</u>	<u>-</u>
<b>Change in cash and cash equivalents in the year</b>		<b>3,001,963</b>	<b>519,382</b>
Cash and cash equivalents brought forward		<u>1,420,608</u>	<u>901,226</u>
<b>Cash and cash equivalents carried forward</b>	23	<u><u>4,422,571</u></u>	<u><u>1,420,608</u></u>

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**ALPHA TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**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 trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Alpha Trust constitutes a public benefit entity as defined by 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 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. The expenditure omitted in relation to CTTC transactions in August 2018 is £13,464 (2017 - £21,740) and the net effect on these accounts is considered immaterial.

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**ALPHA TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. Accounting policies (continued)**

**1.4 Income**

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

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

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

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis where 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, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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**ALPHA TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. Accounting policies (continued)**

**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.

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

All expenditure is inclusive of irrecoverable VAT.

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

**1.7 Tangible fixed assets and depreciation**

All assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

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**ALPHA TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. Accounting policies (continued)**

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 incorporating income and expenditure account.

**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 fair 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 shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities incorporating income and expenditure account.

**1.9 Leased assets**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the academy. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities incorporating income and expenditure account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**1.10 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.

**1.11 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 Bank.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. Accounting policies (continued)**

**1.12 Taxation**

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

**1.13 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.

**1.14 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.

**1.15 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.

**1.16 Financial instruments**

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.



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

**1.17 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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

**1.18 Transfer of existing academies into the academy trust**

The transfer from an existing academy to the academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on from The Gilberd School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The fair value of buildings at The Gilberd School at transfer at 1 April 2018 has been assessed to be its depreciated replacement cost, based on an external professional valuation of replacement value undertaken in 2012, plus the depreciated cost of assets constructed at the school since then. The fair value of freehold land at The Gilberd School is the directors' valuation based on a general valuation rate of educational land. The Gilberd School leasehold land was received under a shared occupation agreement with 26 years left to run and the calculation of fair value at transfer was adjusted to take this into account. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations and capital grant income in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 29.

**1.19 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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 2003 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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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**2. Income from donations and capital grants**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Transfer in of existing academies joining the Trust	1,509,183	(1,650,820)	18,974,894	18,833,257	-
Capital grants	-	-	1,698,912	1,698,912	1,883,880
Donations	-	83,981	-	83,981	-
Subtotal detailed disclosure	<u>1,509,183</u>	<u>(1,566,839)</u>	<u>20,673,806</u>	<u>20,616,150</u>	<u>1,883,880</u>
Transfer of Colchester Teacher Training Consortium (CTTC)	-	-	-	-	253,441
	<u>1,509,183</u>	<u>(1,566,839)</u>	<u>20,673,806</u>	<u>20,616,150</u>	<u>2,137,321</u>
	<u>-</u>	<u>347,414</u>	<u>1,789,907</u>	<u>2,137,321</u>	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**3. Funding for Academy's educational operations**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	7,201,712	7,201,712	4,128,162
Other ESFA/government grants	-	224,631	224,631	73,775
Colchester Teacher Training Consortium (CTTC)	-	1,257,948	1,257,948	1,448,979
	-	8,684,291	8,684,291	5,650,916
<b>Other government grants</b>				
North East Essex Teaching School Alliance (NEETSA)	-	97,301	97,301	114,233
	-	97,301	97,301	114,233
<b>Other income from educational operations</b>				
Other grant funding	-	-	-	6,000
Catering income	313,577	-	313,577	302,849
Trip income	334,800	1,316	336,116	164,035
Equipment sales	11,522	-	11,522	351
Subject sales	35,745	3,600	39,345	38,473
Music services	56,176	-	56,176	-
	751,820	4,916	756,736	511,708
	751,820	8,786,508	9,538,328	6,276,857
<b>Total 2017</b>	511,708	5,765,149	6,276,857	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**4. Other trading activities**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hiring of facilities	46,437	-	46,437	18,527
Charges for additional education services	154,060	332	154,392	156,064
	<u>200,497</u>	<u>332</u>	<u>200,829</u>	<u>174,591</u>
<i>Total 2017</i>	<u>169,787</u>	<u>4,804</u>	<u>174,591</u>	

**5. Investment income**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Short term deposits	6,704	-	6,704	491
	<u>491</u>	<u>-</u>	<u>491</u>	
<i>Total 2017</i>	<u>491</u>	<u>-</u>	<u>491</u>	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**6. Support costs**

	Support costs- Activities £	Total 2018 £	Total 2017 £
Agency support staff costs	51,549	51,549	32,447
Pupil recruitment and support	57,779	57,779	60,746
Maintenance of premises and equipment	374,128	374,128	471,293
Cleaning	161,031	161,031	79,396
Rates and water	68,167	68,167	33,633
Insurance	44,579	44,579	28,249
Travel and subsistence	2,338	2,338	3,323
Catering	12,636	12,636	8,854
Bank interest and charges	10,350	10,350	8,656
Heat and light	78,302	78,302	68,115
Technology	116,554	116,554	91,563
Supplies, printing and telephone	119,945	119,945	91,529
Professional services	130,291	130,291	75,432
Governance - Professional costs	52,682	52,682	23,284
Governance - Trustee expenses	825	825	621
Indirect employee expenses	246	246	1,184
Wages and salaries	599,484	599,484	418,021
National insurance	48,713	48,713	32,600
Pension cost	113,318	113,318	56,715
	<u>2,042,917</u>	<u>2,042,917</u>	<u>1,585,661</u>
<i>Total 2017</i>	<u>1,585,661</u>	<u>1,585,661</u>	

**7. Charitable activities**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Activities:					
Direct costs	5,408,269	-	3,083,182	8,491,451	5,154,118
Support costs	761,515	685,406	595,996	2,042,917	1,585,661
	<u>6,169,784</u>	<u>685,406</u>	<u>3,679,178</u>	<u>10,534,368</u>	<u>6,739,779</u>
<i>Total 2017</i>	<u>3,685,007</u>	<u>652,437</u>	<u>2,402,335</u>	<u>6,739,779</u>	

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**8. Net income/(expenditure)**

This is stated after charging:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the charity	<b>499,413</b>	<b>283,589</b>
Auditors' remuneration - audit	<b>11,500</b>	<b>7,200</b>
Auditors' remuneration - other services	<b>6,410</b>	<b>3,605</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**9. Staff costs**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	4,789,572	2,920,334
Social security costs	431,445	267,494
Operating costs of defined benefit pension schemes	1,069,926	596,144
	<u>6,290,943</u>	<u>3,783,972</u>
Agency staff costs	51,549	32,447
Staff restructuring costs	-	5,162
Supply teacher costs	11,346	32,446
	<u><u>6,353,838</u></u>	<u><u>3,854,027</u></u>

Staff restructuring costs comprise:

	2018 £	2017 £
Redundancy payments	<u>-</u>	<u>5,162</u>

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

Included in staff restructuring costs is a discretionary compensation payment of £nil (2017: £1,721).

**c. Staff numbers**

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

	2018 No.	As restated 2017 No.
Teachers	147	69
Administration and Support	168	51
Management	14	11
	<u>329</u>	<u>131</u>

**d. Higher paid staff**

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	4	3
In the band £100,001 - £200,000	1	1



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**9. Staff costs (continued)**

Three (2017: three) of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2018, pension contributions for these staff amounted to £36,833 (2017: £39,221).

Key management personnel comprises the Chief Executive Officer, Chief Finance Officer, headteacher of The Gilberd School and staff company directors (2017: Headteacher, staff governors and certain members of the Senior Leadership Team of Colchester County High School for Girls). The total number of staff considered to be key management personnel is 8 (2017: 7) and they received aggregate employment benefits in the year ended 31 August 2018 of £388,244 (2017: £439,793).

**10. Central services**

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

- Financial and administration services
- Management services
- Legal and professional services
- Trust website

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 commences on 1 April 2018, when the two schools came together.

The actual amounts charged during the year were as follows:

	2018 £	2017 £
Colchester County High School for Girls	64,900	-
The Gilberd School	111,570	-
Total	<u>176,470</u>	<u>          </u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**11. 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 other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018 £	2017 £
Mrs G Marshall, Head Teacher,	Remuneration	105,000-110,000	100,000-105,000
Accounting Officer	Pension contributions paid	15,000-20,000	15,000-20,000
Miss D Murison, Staff Governor	Remuneration	30,000-35,000	25,000-30,000
	Pension contributions paid	5,000-10,000	0-5,000
Mrs S Stinson, Staff Governor	Remuneration	20,000-25,000	20,000-25,000
	Pension contributions paid	0-5,000	0-5,000
Mr D Mucklow, Staff Governor	Remuneration	30,000-35,000	30,000-35,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year ended 31 August 2018, travel and subsistence expenses totalling £825 were reimbursed or paid directly to 1 trustee (2017: £551 to 1 trustee).

**12. 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 2018 was £564 (2017: £411).

**13. Other finance income**

	2018 £	2017 £
Interest income on pension scheme assets	59,000	25,000
Interest on pension scheme liabilities	(145,000)	(70,000)
	<u>(86,000)</u>	<u>(45,000)</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**14. Tangible fixed assets**

	Freehold property £	Leasehold property £	Furniture and fixtures £	Computer equipment £	Motor vehicles £	Assets in the course of construction £
<b>Cost</b>						
At 1 September 2017	12,503,764	-	290,111	321,220	-	165,893
Additions	1,274,652	-	69,948	76,210	-	212,169
Transfer of assets on joining the trust	18,660,392	89,142	104,711	84,013	13,268	3,778
Transfer between classes	168,471	-	-	1,200	-	(169,671)
At 31 August 2018	32,607,279	89,142	464,770	482,643	13,268	212,169
<b>Depreciation</b>						
At 1 September 2017	1,169,421	-	181,779	233,918	-	-
Charge for the year	385,907	1,428	51,937	57,853	2,288	-
At 31 August 2018	1,555,328	1,428	233,716	291,771	2,288	-
<b>Net book value</b>						
At 31 August 2018	31,051,951	87,714	231,054	190,872	10,980	212,169
At 31 August 2017	11,334,343	-	108,332	87,302	-	165,893

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**14. Tangible fixed assets (continued)**

	<b>Total £</b>
<b>Cost</b>	
At 1 September 2017	<b>13,280,988</b>
Additions	<b>1,632,979</b>
Transfer of assets on joining the trust	<b>18,955,304</b>
Transfer between classes	-
At 31 August 2018	<b><u>33,869,271</u></b>
<b>Depreciation</b>	
At 1 September 2017	<b>1,585,118</b>
Charge for the year	<b>499,413</b>
At 31 August 2018	<b><u>2,084,531</u></b>
<b>Net book value</b>	
At 31 August 2018	<b><u><u>31,784,740</u></u></b>
At 31 August 2017	<b><u><u>11,695,870</u></u></b>

The academy trust's transactions relating to land and buildings included:

- the acquisition of the freehold on The Gilbert School which was donated to the academy trust at a value of £22,800,392.
- the cost of building work carried out on the expansion project at Colchester County High School for Girls totalling £1,124,198.
- taking up of a leasehold on land at The Gilbert School over a term of 26 years.

There were costs of £165,893 included in assets in the course of construction in the previous year. These capital costs were transferred to freehold property and computer equipment and depreciated accordingly upon completion of the assets.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Fixed asset investments**

**Shares in  
group  
undertakings  
£**

**Market value**

At 1 September 2017 and 31 August 2018

1

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

**Name**

**Holding**

CCHSG Trading Limited

100%

The aggregate of the share capital and reserves as at 31 August 2018 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

<b>Name</b>	<b>Aggregate of share capital and reserves £</b>	<b>Profit/(loss) £</b>
CCHSG Trading Limited	<u><u>1</u></u>	<u><u>-</u></u>

**Investments at market value comprise:**

	<b>2018 £</b>	<b>2017 £</b>
Group	<u><u>1</u></u>	<u><u>1</u></u>

All the fixed asset investments are held in the UK

**16. Stocks**

	<b>2018 £</b>	<b>2017 £</b>
Finished goods and goods for resale	<u><u>8,511</u></u>	<u><u>3,436</u></u>

**17. Debtors**

	<b>2018 £</b>	<b>2017 £</b>
Trade debtors	73,730	27,479
Other debtors	475,331	78,778
Prepayments and accrued income	1,631,028	1,321,622
	<u><u>2,180,089</u></u>	<u><u>1,427,879</u></u>

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

	2018 £	2017 £
CIF loan	30,000	-
Trade creditors	500,195	137,471
Other taxation and social security	293,091	77,562
Other creditors	66,056	130,237
Accruals and deferred income	580,979	225,576
	<u>1,470,321</u>	<u>570,846</u>

	2018 £	2017 £
<b>Deferred income</b>		
Deferred income at 1 September 2017	107,431	51,637
Resources deferred during the year	92,641	107,431
Amounts released from previous years	(107,431)	(51,637)
Deferred income at 31 August 2018	<u>92,641</u>	<u>107,431</u>

At the balance sheet date the academy trust was holding funds received in advance of £25,993 received for music lessons, ESFA funding of £4,186 in relation to pupil premium for 2018/19, £4,106 in relation to 16-19 bursary, rates of £35,574 and grant and other income of £6,520. The balance on the cashless payment system at 31 August 2018 was £16,262.

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

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

	2018 £	2017 £
CIF loan	<u>270,000</u>	<u>-</u>

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

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds - all funds	490,968	2,468,204	(1,058,061)	-	-	1,901,111
<b>Restricted funds</b>						
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>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds - all funds	1,402,104	-	(120,033)	139,648	-	1,421,719
DfE/ESFA capital grants	1,715,013	1,698,912	(104,641)	(48,916)	-	3,260,368
Transfer on joining Trust	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>
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 of 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>

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.

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

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 13 local schools and colleges.

Transfers were to Restricted Fixed Asset funds from Unrestricted, GAG and Other restricted funds, 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 that it could carry forward at 31 August 2018.

**Analysis of academies by fund balance**

Fund balances at 31 August 2018 were allocated as follows:

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Colchester County High School for Girls	839,469	525,001
The Gilbert School	2,354,802	-
CTTC	278,967	262,444
NEETSA	43,797	53,009
Central Services	(158,422)	-
Total before fixed asset fund and pension reserve	<b>3,358,613</b>	<b>840,454</b>
Restricted fixed asset fund	<b>33,296,978</b>	<b>13,136,494</b>
Pension reserve	<b>(4,558,000)</b>	<b>(2,219,000)</b>
Total	<b><u>32,097,591</u></b>	<b><u>11,757,948</u></b>



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

**Analysis of academies by cost**

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 depreciat- ion £	Total 2018 £	Total 2017 £
Colchester County High School for Girls	2,991,595	573,545	548,036	1,054,971	5,168,147	5,333,724
The Gilbert School	2,191,370	315,031	251,999	597,176	3,355,576	-
Central Services	51,095	14,270	-	97,928	163,293	-
	<u>5,234,060</u>	<u>902,846</u>	<u>800,035</u>	<u>1,750,075</u>	<u>8,687,016</u>	<u>5,333,724</u>

**Statement of funds - prior year**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Funds - all funds	365,653	681,986	(591,731)	35,060	-	490,968
<b>Restricted funds</b>						
Other Restricted Funds	71,949	149,177	(109,029)	(91,929)	-	20,168
General Annual Grant (GAG)	277,844	4,151,537	(4,379,638)	(35,878)	-	13,865
NEETSA (North East Essex Teaching School Alliance)	77,609	114,233	(138,833)	-	-	53,009
Colchester Teacher Training Consortium (CTTC)	-	1,702,420	(1,275,951)	(164,025)	-	262,444
Pension reserve	(2,136,000)	-	(176,000)	-	93,000	(2,219,000)
	<u>(1,708,598)</u>	<u>6,117,367</u>	<u>(6,079,451)</u>	<u>(291,832)</u>	<u>93,000</u>	<u>(1,869,514)</u>

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

**Restricted fixed asset funds**

Restricted Fixed Asset Funds - all funds	1,429,678	145,767	(359,240)	185,899	-	1,402,104
Inherited fixed asset fund	10,185,077	-	(165,700)	-	-	10,019,377
DfE/ESFA capital grants	-	1,644,140	-	70,873	-	1,715,013
	<u>11,614,755</u>	<u>1,789,907</u>	<u>(524,940)</u>	<u>256,772</u>	<u>-</u>	<u>13,136,494</u>
Total restricted funds	<u>9,906,157</u>	<u>7,907,274</u>	<u>(6,604,391)</u>	<u>(35,060)</u>	<u>93,000</u>	<u>11,266,980</u>
Total of funds	<u>10,271,810</u>	<u>8,589,260</u>	<u>(7,196,122)</u>	<u>-</u>	<u>93,000</u>	<u>11,757,948</u>

**Summary of funds - current year**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
General funds	490,968	2,468,204	(1,058,061)	-	-	1,901,111
Restricted funds	(1,869,514)	7,220,001	(8,872,253)	(90,732)	512,000	(3,100,498)
Restricted fixed asset funds	13,136,494	20,673,806	(604,054)	90,732	-	33,296,978
	<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>

**Summary of funds - prior year**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds	365,653	681,986	(591,731)	35,060	-	490,968
Restricted funds	(1,708,598)	6,117,367	(6,079,451)	(291,832)	93,000	(1,869,514)
Restricted fixed asset funds	11,614,755	1,789,907	(524,940)	256,772	-	13,136,494
	<u>10,271,810</u>	<u>8,589,260</u>	<u>(7,196,122)</u>	<u>-</u>	<u>93,000</u>	<u>11,757,948</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. Analysis of net assets between funds**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
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)
	<u>1,901,111</u>	<u>(3,100,498)</u>	<u>33,296,978</u>	<u>32,097,591</u>

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	11,695,870	11,695,870
Fixed asset investments	-	1	-	1
Current assets	754,423	656,876	1,440,624	2,851,923
Creditors due within one year	(263,455)	(307,391)	-	(570,846)
Provisions for liabilities and charges	-	(2,219,000)	-	(2,219,000)
	<u>490,968</u>	<u>(1,869,514)</u>	<u>13,136,494</u>	<u>11,757,948</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**22. Reconciliation of net movement in funds to net cash flow from operating activities**

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	19,827,643	1,393,138
<b>Adjustment for:</b>		
Depreciation charges	499,413	283,589
(Increase)/decrease in stocks	(5,075)	2,011
(Increase)/decrease in debtors	(752,210)	152,566
Increase in creditors	869,475	123,906
Capital grants from DfE and other capital income	(1,698,912)	(1,797,037)
Defined benefit pension scheme obligation transferred from existing academies joining Trust	2,506,000	-
Defined benefit pension scheme cost less contributions payable	259,000	43,000
Defined benefit pension scheme finance cost	86,000	45,000
Fixed assets transferred from existing academies on joining Trust	(18,955,304)	-
Interest receivable	(6,704)	607
<b>Net cash provided by operating activities</b>	<b>2,629,326</b>	<b>246,780</b>

**23. Analysis of cash and cash equivalents**

	2018 £	2017 £
Cash in hand	4,422,571	1,420,608
<b>Total</b>	<b>4,422,571</b>	<b>1,420,608</b>

**24. Capital commitments**

At 31 August 2018 the academy had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	965,923	1,778,247

**25. Pension commitments**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2003.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. Pension commitments (continued)**

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change 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 latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £833,926 (2017 - £461,144).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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

**Local Government Pension Scheme**

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

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**25. Pension commitments (continued)**

The total contribution made for the year ended 31 August 2018 was £306,000 (2017 - £178,000), of which employer's contributions totalled £236,000 (2017 - £135,000) and employees' contributions totalled £70,000 (2017 - £43,000). The agreed contribution rates for future years are 20.4% rising to 24.4% for employers and 5.5% - 11.4% 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:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %

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

	2018	2017
Retiring today		
Males	22.3	22.2
Females	24.8	24.7
Retiring in 20 years		
Males	24.5	24.3
Females	27.1	27.0

	At 31 August 2018 £	At 31 August 2017 £
<b>Sensitivity analysis</b>		
Discount rate +0.1%	(187,000)	(74,000)
Discount rate -0.1%	191,000	76,000
Mortality assumption - 1 year increase	274,000	121,000
Mortality assumption - 1 year decrease	(265,000)	(117,000)
CPI rate +0.1%	170,000	65,000
CPI rate -0.1%	(167,000)	(63,000)

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**25. Pension commitments (continued)**

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

	<b>Fair value at 31 August 2018 £</b>	<i>Fair value at 31 August 2017 £</i>
Equities	2,286,000	923,000
Gilts	192,000	88,000
Property	320,000	137,000
Cash and other liquid assets	122,000	44,000
Alternative assets and other managed funds	460,000	168,000
Other bonds	209,000	55,000
Total market value of assets	<u><u>3,589,000</u></u>	<u><u>1,415,000</u></u>

The actual return on scheme assets was £136,000 (2017 - £166,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	<b>2018 £</b>	<i>2017 £</i>
Current service cost	(495,000)	(266,000)
Interest income	59,000	25,000
Interest cost	(145,000)	(70,000)
Administration expenses	(2,000)	-
Total	<u><u>(583,000)</u></u>	<u><u>(311,000)</u></u>

Movements in the present value of the defined benefit obligation were as follows:

	<b>2018 £</b>	<i>2017 £</i>
Opening defined benefit obligation	3,634,000	3,203,000
Transferred in on existing academies joining the trust	4,329,000	-
Current service cost	495,000	266,000
Interest cost	143,000	70,000
Employee contributions	70,000	43,000
Actuarial (gains)/losses	(435,000)	95,000
Benefits paid	(89,000)	(43,000)
Closing defined benefit obligation	<u><u>8,147,000</u></u>	<u><u>3,634,000</u></u>

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**25. Pension commitments (continued)**

Movements in the fair value of the academy's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	1,415,000	1,067,000
Transferred in on existing academies joining the trust	1,823,000	-
Interest income	59,000	25,000
Actuarial losses	77,000	188,000
Employer contributions	236,000	135,000
Employee contributions	70,000	43,000
Benefits paid	(89,000)	(43,000)
Administration expenses	(2,000)	-
	<u>3,589,000</u>	<u>1,415,000</u>

**26. Operating lease commitments**

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

	2018 £	2017 £
<b>Amounts payable:</b>		
Within 1 year	38,365	20,341
Between 1 and 5 years	102,351	77,420
After more than 5 years	5,747	-
	<u>146,463</u>	<u>97,761</u>



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**27. Related party transactions**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which 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.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

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

The School Fund made donations to the academy totaling £83,981 (2017: £159,152) during the year. At 31 August 2018 donations totaling £26,525 (2017: £10,749) had been promised but not yet paid to the academy.

The PTA made donations to the academy totaling £9,713 (2017: £723) during the year. There were no amounts outstanding at 31 August 2018 (2017: £nil).

Kent Blaxill & Co Ltd is a local builders' merchant of which the husband of Mrs J Blaxill, a governor, is managing director. Transactions totaling £nil (2017: £264), relating mainly to the routine purchase of building supplies. There were no amounts outstanding at 31 August 2018 (2017: £nil).

Consultancy fees of £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 2018 (2017: £nil).

Fees of £900 were paid to Stanley Bragg Architects Limited, a company in I Mosley (trustee) is a director. There were no amounts outstanding at 31 August 2018 (2017: £nil).

**28. Members' liability**

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**29. Transfer of existing academies into the academy**

**The Gilbert School**

	Value reporting by transferring trust £	Fair value adjustments £	Transfer in recognised £
<b>Tangible fixed assets</b>			
Freehold property	18,300,392	360,000	18,660,392
Long-term leasehold property	-	89,142	89,142
Motor vehicles	13,268	-	13,268
Fixtures and fittings	104,710	-	104,710
Computer equipment	84,013	-	84,013
Other assets	3,778	-	3,778
Stock	4,107	-	4,107
Debtors due after one year	481,933	-	481,933
Cash in bank and in hand	2,493,063	-	2,493,063
<b>Liabilities</b>			
Creditors due within one year	(595,149)	-	(595,149)
<b>Pensions</b>			
Pensions - pension scheme liabilities	(2,506,000)	-	(2,506,000)
<b>Net assets</b>	<u>18,384,115</u>	<u>449,142</u>	<u>18,833,257</u>

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

	2018 £	2018 £	2017 £	2017 £
<b>Income</b>				
<b>Direct income</b>				
Grant income	69,730		92,230	
<b>Other income</b>				
Other income	27,571		22,003	
<b>Total income</b>		97,301		114,233
<b>Expenditure</b>				
<b>Direct expenditure</b>				
Direct staff costs	41,567		52,717	
Educational supplies and services	11,456		315	
<b>Total Direct expenditure</b>	53,023		53,032	
<b>Other expenditure</b>				
IT costs	14		-	
Non educational supplies & services	12,435		62,190	
Staff development	41,042		23,611	
<b>Total Other expenditure</b>	53,491		85,801	
<b>Total expenditure</b>		106,514		138,833
<b>Deficit from all sources</b>		(9,213)		(24,600)
<b>Teaching school balances at 1     September 2017</b>		53,009		77,609
<b>Teaching school balances at 31     August 2018</b>		43,796		53,009

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**31. Colchester Teacher Training Consortium (CTTC) trading account**

	2018 £	2018 £	2017 £	2017 £
<b>Income</b>				
<b>Direct income</b>				
Grant income	1,245,140		1,441,390	
<b>Other income</b>				
Transfer balance from predecessor	-		259,916	
Other income	12,808		1,114	
<b>Total income</b>		<b>1,257,948</b>		<b>1,702,420</b>
<b>Expenditure</b>				
<b>Direct expenditure</b>				
Direct staff costs	191,112		204,739	
Staff development	27,268		31,918	
Educational supplies and services	846,745		1,062,013	
<b>Total Direct expenditure</b>	<b>1,083,136</b>		<b>1,298,670</b>	
<b>Other expenditure</b>				
Support staff costs	81,280		70,860	
IT costs	1,978		9,823	
Recruitment and support	14,447		13,650	
Other support costs	60,584		46,973	
<b>Total Other expenditure</b>	<b>158,288</b>		<b>141,307</b>	
<b>Total expenditure</b>		<b>1,241,425</b>		<b>1,439,976</b>
<b>Surplus from all sources</b>		<b>16,524</b>		<b>(24,600)</b>
<b>Teaching school balances at 1 August 2017</b>		<b>262,444</b>		<b>-</b>
<b>Teaching school balances at 31 July 2018</b>		<b>278,967</b>		<b>262,444</b>