

Company Registration Number: 08576427 (England & Wales)

THE ALLIANCE MULTI-ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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THE ALLIANCE MULTI-ACADEMY TRUST
(A company limited by guarantee)

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THE ALLIANCE MULTI-ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	L Adrian K Gardner, Chair S Goggin (appointed 1 May 2019) F Griffin D Hewson D Maher D Oakley G Palmer S Sayers
Company registered number	08576427
Company name	The Alliance Multi Academy Trust
Principal and registered office	Fredericks House 39 Guildford Road Lightwater Surrey GU18 5SA
Company secretary	A Johnstone
Trust senior management team	S Sales, Chief Executive Officer (resigned 31 August 2019) J Hills, Chief Executive Officer (appointed 1 September 2019) A Johnstone, Facilities and contracts officer G Buxton, Chief Financial Officer
Independent auditors	James Cowper Kreston Chartered Accountants Reading Bridge House George Street Reading Berkshire RG1 8LS
Bankers	Lloyds Bank plc The Mall Camberley Surrey GU15 3SJ

THE ALLIANCE MULTI-ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

TRUSTEES' REPORT

The Trustees present their annual report together with the audited financial statements of The Alliance Multi-Academy Trust (TAMAT) or 'the charitable company' for the academic year 1 September 2018 to 31 August 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

TAMAT, which was incorporated on 19th June 2013 and opened as a Multi-Academy Trust on 1st April 2018, is a company limited by guarantee and an exempt charity. The charitable company's Articles of Association are the primary governing document of TAMAT.

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

Details of the Trustees who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

TAMAT operates:

- **Connaught Junior School** for pupils aged 7 to 11 serving the catchment of Bagshot and the surrounding areas of Windlesham, Lightwater, Chobham and Camberley;
- **Holy Trinity C of E Primary School** for pupils aged 4 to 11 serving the catchment of West End and Chobham;
- **Windlesham Village Infant School** for pupils aged 4 to 7 serving the catchment of Windlesham and surrounding areas of Bagshot, Lightwater and Camberley;
- **Crawley Ridge Infant School** for pupils aged 4 to 7 serving the catchment of Crawley Ridge and the surrounding areas of Camberley and Frimley; and
- **Crawley Ridge Junior School** for pupils aged 7 to 11 serving the catchment of Crawley Ridge and the surrounding areas of Camberley and Frimley.

TAMAT's academies have a combined pupil capacity of 1,524 and had a roll of 1,398 in the school census on 3rd October 2019.

Members' Liability

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

Trustees' Indemnities

The Trustees benefit from indemnity insurance purchased by TAMAT to cover the liability of the Trustees arising from negligent acts, errors or commissions occurring whilst on TAMAT business. The limit of this indemnity is £10,000,000.

Principal Activities

The principal activity of TAMAT is to advance for the public benefit by establishing, maintaining, carrying on, managing and developing a primary aged education offering a broad and balanced curriculum.

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

Method of Recruitment and Appointment or Election of Trustees

On the 30th April 2019, Sam Goggin resigned as a Member and was appointed by the other Members as a Trustee on 1st May 2019. This appointment was made against a skills gap identified by Trustees in relation to inclusion.

On 27th March 2018, the Members of the existing Single Academy Trust passed a special resolution to appoint two new Members who took up their positions as GDET Members. The Members then passed an ordinary resolution to appoint seven new Trustees following the resignation of all existing Trustees from the Single Academy Trust. No Members or employees are Trustees.

Since conversion, three further Trustees have been appointed by Members and one existing Trustee has resigned. The four Members also passed a special resolution to appoint a fifth Member on 1st November 2018.

TAMAT shall have the following Trustees as set out in its Articles of Association and Funding Agreement:

- Up to 6 Trustees who are appointed by the Members;
- Up to 3 Trustees who are appointed by the Guildford Diocesan Education Trust (GDET).

At Local Academy Board Level:

- at least 2 local parent governors who are elected by the parents of registered pupils at each school;
- at least 1 Staff local governor appointed by staff (provided that the total number of local governors, including the Headteacher, who are employees of TAMAT, does not exceed one third of the total number of local governors on the Local Academy Board);
- 4 or more co-opted local governors who are appointed by the Local Academy Board; and
- the Headteacher who is treated for all purposes as being an ex-officio local governor.

Trustees and local governors are appointed for a 4 year period.

When appointing new Trustees, the Trust Board and Members' Board will give consideration to the skills and experience mix of existing Trustees in order to ensure the Trust Board has the necessary skills to contribute fully to TAMAT's development. These skills include: education, human resources, finance, strategy, marketing, health & safety, legal including safeguarding, inclusion and curriculum enrichment.

Policies and Procedures Adopted for the Induction and Training of Trustees and local Governors

The training and induction provided for new Trustees and local governors will depend upon their existing experience but for local governors would always include a tour of the school and a chance to meet staff and pupils. All Trustees and local governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their roles. For security and accessibility all documents are kept on TAMAT's area of Gov Hub. Advantage is taken of specific courses offered by various other organisations as appropriate, with a link governor and Trustee overseeing this on each of the boards.

Trustees and local governors hold a strategic planning day each year which includes a review of previous training and forward planning for the year ahead. New Trustees and local governors have the opportunity to undertake National Governor Association training and all Trustees & local governors have access to regular National Governor Association updates through the Key.

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

Organisational Structure

The Trust Board normally meets at least twice each term with one meeting focusing on Business, Operation & Strategy and the other Educational Standards. The Trust Board, through its Scheme of Delegation, establishes an overall framework for the governance of TAMAT and determines membership, terms of reference and procedures of committees of the Trust Board and other groups such as the Local Academy Boards. For clarity, handbooks for each layer of governance have been produced and agreed.

The Trust Board receives reports including policies from its committees for ratification. It monitors the activities of the committees through the minutes of their meetings. The Trust Board may from time to time establish working groups to perform specific tasks and benefit from the expertise of local governors and leaders over a limited timescale.

There are three main committees of TAMAT:

- Local Academy Boards (LAB)
- Pay Committees for each LAB
- Pay Appeal Committees for each LAB

Each committee has its own terms of reference (handbook) or policy detailing the responsibilities discharged to it.

The following decisions are reserved to the Trust Board:

- to consider any proposals for changes to the status or constitution of TAMAT and its committee structure;
- to appoint or remove the Chair and / or Vice Chair; and
- to appoint and / or consider the performance management of the Headteacher (to include representation of one local governor from the LAB)
- to appoint the Company Secretary.

The Trustees are responsible for setting general policy, adopting an annual strategic plan and budget, approving the annual statutory accounts, monitoring TAMAT by the use of budgets and other data, and making the major decisions about the direction of TAMAT, capital expenditure and staff appointments within the Executive Team.

The Trustees have devolved the day-to-day management of the schools within TAMAT to the Headteacher and the Senior Leadership Team ('SLT'). Depending on the size and structure of each school, the SLT may consist of Headteacher, Deputy Headteacher, Assistant Headteacher(s), Phase Leader(s) and Inclusion Leader / SENCO. The SLT implement the policies ratified by Trustees and local governors and report back to them on performance. The CFO, Compliance Officer and Headteachers are all line managed by the CEO.

Risk Management

The Trustees have implemented a system to assess risks that TAMAT faces, especially in the operational areas (such as in relation to teaching, health & safety and school trips) and in relation to the control of finances. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

TAMAT has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

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

Arrangements for setting pay and remuneration of key management personnel

Trustees have set out clear policies and procedures for the remuneration of Members of the Executive Team and all staff under their line management. This takes the form of individual Pay Policies for each school, which from September 2018 have been harmonised to include standardised teaching pay scales and are reviewed and actioned by Pay Committees of the LABs. A similar process has been adopted by Trustees for its executive appointments. From Sept 2019 TAMAT have set out one Pay Policy for all staff.

From September 2018, there are clear pay progression matrices in each school, which are supported by career stage expectations set against nationally recognised standards ranging from the teacher standards to Headteacher and Executive Leader standards. TAMAT used the BlueSky system to ensure consistency of approach across the Trust. Pay ranges are benchmarked and take into the account the School Teacher's Pay and Conditions document.

Trade union facility time

TAMAT employed two Members of staff who are relevant union officials during the year 1st September 2018 to 31st August 2019. Their facility time for the period was less than 1% at a cost of £0 to TAMAT.

Connected Organisations, including Related Party Relationships

There are no related parties which either control or who significantly influence the decisions and operations of TAMAT. There are no sponsors or formal Parent Teacher Associations associated with TAMAT.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal objects of TAMAT, as set out in its Articles of Association, are to:

- (b) advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:
 - i) Academies other than those designated Church of England, whether with or without a designated religious character; and
 - ii) Church of England academies designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and in having regard to any advice and following any directives issued by the Diocesan Board of Education

but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

- (b) Subject to the trusts upon which the site of TAMAT is held, to promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The mission and guiding principles of TAMAT during the period ended 31 August 2019 are summarised below:

TAMAT brings together local, like-minded schools within collaborative reach to achieve even greater outcomes for every child than would be individually possible. We place learning at the heart of our communities. We pool our resources to deepen and nourish the education of all. We aim to improve the life chances of all our children, by helping them develop wisdom, hope, a sense of community and dignity.

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

Each school's unique ethos and values, whether secular or faith, are strengths to be celebrated and enrich our Trust. Fundamental to all schools within our alliance is a belief in a child-centred approach to education and a commitment to raising the aspirations, achievements and well-being of every one of our children, our staff and our communities.

We believe that the following are fundamental to the success of our alliance:

- Develop outstanding leadership at all levels within TAMAT and beyond;
- Develop and share excellence in teaching and learning;
- Enable a culture of collaboration, challenge, support and shared accountability;
- Drive an agenda of continuous school improvement through robust self-evaluation and quality assurance;
- Commit to tailored investment in continuous professional development that attracts, develops and retains the best;
- Provide financial expertise, strength and resilience, driving probity and compliance.

Objectives, Strategies and Activities

The key priorities for the period are contained in TAMAT's Strategic Plan, which is available on the website www.tamat.org.uk

The main activities of TAMAT for the period ended 31 August 2019 were as follows:

Leadership

- To implement training on the Leader in Me programme to build life habits across staff and pupils so there is a shared language of leadership that supports resilience and positive behaviour;
- To provide high quality training opportunities for established and aspiring leaders through the NPQ programmes;
- To introduce a robust strategic cycle;
- To develop challenge curriculums across the five schools.

Sustainability

- To centralise the business team and develop the system and processes aligned to a one organisation philosophy;
- To access funds to support vulnerable schools and focus on school improvement;
- To develop strategic partnerships with other MATs and organisations.

Capacity

- To refine a school improvement model that enables change for schools which are underperforming and helps all schools to continually improve the quality of education;
- To embed the work of all boards with the appropriate skills and competencies to provide impactful challenge and support of leaders within TAMAT.

Collaboration

- To align assessment across TAMAT to support teaching and learning and progress for pupils within TAMAT;
- To develop an inclusive and safe culture, which is fully compliant with all statutory requirements;
- To focus on the moderation and development of writing across TAMAT's schools;
- To develop mastery teaching across TAMAT schools.

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

Public Benefit

The Trustees confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing TAMAT's aims and objectives and in planning its future activities.

TAMAT aims to advance for the public benefit education in the Surrey Heath area and the surrounding area, offering a broad curriculum.

TAMAT also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

STRATEGIC REPORT

Achievements and Performance

TAMAT has just completed its first full academic year of operation since conversion on 1st April 2018.

The total number of pupils in the period ended 31 August 2019 was 1,413 (based on October 2018 census) but this has decreased to 1,398 at the October 2019 census date. There is a low birth rate in Surrey Heath and it is difficult for young families to be able to afford to move into this area and this has particularly impacted one infant school within the Trust. However the Trust is taking measures to make the most of all its school sites with investment to attract families from within and outside the area.

TAMAT is committed to continual improvement which is achieved in a number of ways including; improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning.

This year we have put in place new leadership and teaching strength which has led to a rise in outcomes in specific phases. The particular achievements and performance of TAMAT during the period ended 31 August 2019 were as follows:

- The GLD in Early Years was significantly above national for all three EYs settings;
- High phonics results (well above national) across all academies with a key stage 1;
- Outcomes for children in KS1 at Crawley Ridge Infants and Windlesham Village Infants were well above national benchmarks;
- Maths attainment at Connaught Junior School rose by 13% and 12% overall for reading, writing and mathematics;
- 75% of pupils achieved the expected standard in reading, writing and mathematics at Holy Trinity C of E Primary, which was 10% above the national average;
- Outcomes for pupils achieving greater depth in reading, writing and mathematics at Crawley Ridge Infant School was at least 15% above the national average.

Strategic Plan

TAMAT has continued to work on the priorities set out in its Strategic Plan approved by the Trust Board.

Changing to a centralised business team to support schools is beginning to show dividends e.g. income generation through wraparound care at HTP. We have a new finance system (HCSS) and the CFO is delivering high quality, timely strategic reports. Our Compliance Officer has been successful in aligning H&S procedures across our schools, developing considerable capital projects to enhance our estate (including one successful CIF bid).

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FOR THE YEAR ENDED 31 AUGUST 2019

Strategic partnerships have helped to shape and refine systems including our scheme of delegation, strategic plan and policies. Leaders have benefitted from the research and support they have received as part of their NPQ programmes in partnership with Surrey Schools Teaching Network and the diocese.

Investment in a new assessment tool and MIS – ScholarPack – is bringing a consistency and shared language for making accurate judgements across schools. The focus of the new assessment system is on mastery teaching and measuring the % of pupils who are working at or above the expected standard against what they have actually been taught. Teachers and leaders are positive about the new system and report ease of use in both the input and output of data. The introduction of Assembly Analytics has enabled the CEO to pull data up seamlessly providing analysis of the performance of the MAT as well as school by school comparisons.

Effective safeguarding is a priority and investment in quality training from national speaker Andrew Hall for all DSL, DDSL and safeguarding governors enabled all schools to grow in this area. An external safeguarding audit confirmed good practice, there were no areas of non-compliance that would put children at risk and any action points to improve are in the process of being addressed

Environmental factors have continued to be further enhanced by development of outdoor space at Connaught Junior School and Windlesham Village Infants, IT investment at Connaught and Crawley Ridge Juniors and fire and safety systems and infrastructure at Holy Trinity C of E Primary.

TAMAT faces a number of principal risks as set out in the 'Principal Risks and Uncertainties' section.

TAMAT uses various financial instruments including cash and items such as trade debtors and trade creditors that arise directly from its operations.

The existence of these financial instruments exposes the Trust to a number of financial risks which are described in more detail below.

The main risks arising from the financial statements are cash flow, interest rate risk and credit risk. The Trust seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Trust seeks to manage its cash reserves to ensure liabilities are settled as they fall due.

Key Performance Indicators

Although TAMAT's Funding Agreement is not subject to a specific carry forward limit on the amount of GAG funding, the main financial performance indicator is the level of reserves held at the balance sheet date and, in particular, the amount of GAG funding carried forward at the balance sheet date. At 31 August 2019, the balance of the GAG Restricted Fund was £, which is after a transfer of £ to the Restricted Fixed Asset Fund to fund capital expenditure during the period.

As the majority of the TAMAT's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted above, pupil numbers at the most recent census was 1,413 which is a decrease of approximately 2% from the previous census.

As a result, the ratio of GAG funding per pupil was £2,025 for the year.

Staffing costs are another key performance indicator for TAMAT and the percentage of total staff costs to GAG funding for the year was 97% while the percentage of staff costs to total costs was 64%.

Going Concern

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

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

FINANCIAL REVIEW

Financial Review

The majority of TAMAT's income is received from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

TAMAT also receives grants for fixed assets from the DfE and other organisations and funders and these are shown as Restricted Fixed Asset Funds in the Statement of Financial Activities. The balance of the Restricted Fixed Asset fund is reduced by the depreciation charges on the assets acquired using these funds.

During the year ended 31 August 2019, the total expenditure of £6,773,114 was covered by the recurrent grant funding from the DfE, together with other incoming resources. The shortfall or deficit of incoming resources over total expenditure for the year was £358,723.

The net book value of fixed assets at 31 August 2019 was £14,180,141, which includes depreciation charges for the period of £249,504.

The fixed assets held by TAMAT are used exclusively for providing education and associated support services to the pupils of TAMAT.

The balance of total funds held at 31 August 2019 was £12,111,965 which comprised of the following:

Restricted Funds (excluding Pension Liability)	£0
Restricted Pension Liability Fund	(£2,584,000)
Restricted Fixed Asset Fund	£14,267,461
Unrestricted Funds	£428,504

The key financial policies reviewed and adopted during the period included the Finance Policy, which lays out the framework for TAMAT's financial management, including financial responsibilities of the Trust Board, Local Academy Boards, CEO, CFO, Headteachers and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Lettings, Anti-Bribery and Risk Management.

Financial and Risk Management Objectives and Policies

TAMAT has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by the Trustees and include the financial risks to TAMAT. The Risk Register and Risk Management Plan are constantly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which TAMAT is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls. Where significant financial risk still remains, the Trustees have ensured TAMAT has adequate insurance cover.

The current freeze on the Government's overall education budget, changes in funding arrangements for special educational needs, falling roll due to low birth rates in Surrey Heath and the increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

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

The Trustees examine the financial health of TAMAT formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at the TAMAT's Business Board and Local Academy Board Business meetings.

At the balance sheet date, TAMAT had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on TAMAT's liquidity.

The Trustees recognised that the Local Government Pension Scheme deficit represents a significant potential liability to TAMAT. However, as the Trustees consider TAMAT is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Principal Risks and Uncertainties

The principal risks and uncertainties facing TAMAT are as follows:

Financial

TAMAT has considerable reliance on continued Government funding through the ESFA. In the period, approximately 88% of TAMAT's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage TAMAT's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks.

Reputational

The continuing success of TAMAT is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed.

Safeguarding and child protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing

The success of TAMAT is reliant on the quality of its staff so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds

TAMAT has engaged its external auditors to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

TAMAT has continued to strengthen its risk management process throughout the period by improving the process and ensuring staff awareness. A Risk Register is maintained and reviewed and updated on a regular basis.

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

Reserves Policy

The Trustees review the reserve levels of TAMAT annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the future plans of TAMAT, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be one month's average payroll costs of £400,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The current level of reserves is inline with our target level of free reserves.

Investment Policy

All funds surplus to immediate requirements are invested to optimal effect by TAMAT with the objective of ensuring maximum return on assets invested but with minimal risk.

Fundraising

Any fundraising for TAMAT's schools is carried out by the Parent Teacher Associations (PTA). The PTAs are separate charitable entities to TAMAT.

PLANS FOR FUTURE PERIODS

TAMAT strives to continually improve levels of attainment for all pupils, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it is into further and higher education or employment, as well as promoting the continued professional development of its staff.

TAMAT's plans for future periods are:

- Develop outstanding leadership at all levels within TAMAT and beyond
- Develop and share excellence in teaching and learning
- Enable a culture of collaboration, challenge, support and shared accountability
- Drive an agenda of continuous school improvement through robust self-evaluation and quality assurance
- Commit to tailored investment in continuous professional development that attracts, develops and retains the best
- Provide financial expertise, strength and resilience, driving probity and compliance

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

TAMAT and its Trustees do not act as Custodian Trustees of any other charity.

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TRUSTEES' REPORT (CONTINUED)
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AUDITOR

In so far as the Trustees are aware:

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

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



.....
Mr Keith Gardner
Chair of Trustees

13 December 2019

THE ALLIANCE MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Alliance Multi-Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 8 times during the year. This has included three meetings of the Trust Board Business. Its purpose is to provide guidance and assistance on all matters related to finance, resources, premises and Health & Safety of The Alliance Multi-Academy Trust. This includes preparing and approving annual budgets, monitoring financial performance against that budget, reviewing delegated authorities, ensuring all transactions are conducted in accordance with good practice as directed by the ESFA, to ensure best value is achieved in all financial transactions and to receive and (where relevant) respond to period audit reports on The Alliance Multi-Academy Trust and of public funds. This TB Business also acts as The Alliance Multi-Academy Trust's Audit Committee.

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

Trustee	Meetings attended	Out of a possible
L Adrian	8	8
K Gardner, Chair	7	8
S Goggin	2	3
F Griffin	8	8
D Hewson	2	8
D Maher	7	8
D Oakley	7	8
G Palmer	6	8
S Sayers	5	8

Governance reviews

During the year TAMAT has carried out a review of its governance arrangements and procedures. This initially took the form of a skills audit for Trustee roles against key areas and enabled the Trust to develop a clear scheme of delegation. A formal review of governance has been completed by the Trust Board and led by the Vice Chair of Trustees.

Initial outcomes are presented below:

- Recruitment of a skills based board of nine Trustees with an appropriate mix of executive business & educational expertise;
- At least three Trustees independent of local governance;
- Agreed handbooks for all layers of governance;
- Recruitment of new inclusion Trustee;
- Appointment of a fifth Member.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- Creation of new Central Business team to replace business managers and bursars in schools
- Successful CIF Bid for fire safety works at Holy Trinity C of E Primary;
- Successful use of the Growth MAT Fund bid to enable adequate resources for school improvement and operational business change;
- Ensuring that resources are directed where they are most needed and most effective in meeting educational requirements by targeting resources in line with the Trust Strategic Plan and School Development Plans (SDPs);
- Tailored leadership and teaching support to underperforming schools enabling rapid and sustained improvement;
- A new finance system linked to central banking to enable the efficient use of funds set against clear and measurable KPIs

The effectiveness of these strategies can be seen in improvements in teaching across the Requires Improvement school and in high results at Holy Trinity Primary School (KS2) and Crawley Ridge Infant School (KS1) as well as significant rises in outcomes at Connaught Junior School and Windlesham Village Infants. The results for early readers in phonics are also high.

Examples of steps taken to maximise income include:

- Formation of a Central Business team;
- Employment of teachers new to the profession for September through recruitment in January – to replace teachers paid on leadership or upper pay scales;
- Sponsorship status through the Regional Schools Commissioner and a Growth MAT grant bid of £67,000 for income for 2018-19;
- New plans for wrap round care at schools;
- CIF Bid of £220,000 at HTPS.

Future Objectives

We recognise there is a need to continue developing relationships with other academies, local schools and national trusts in order to benefit from economies of scale in procuring products and services, developing staff and sharing knowledge, skills and expertise. Key objectives which form part of our five year strategic plan include:

- Refine our Procurement process making sure all contracts deliver best value and where possible savings are made through central contracts such as catering, IT, Legal, HR and H&S
- Ratify a Central Pay Policy across TAMAT by Sept 2019

THE ALLIANCE MULTI-ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Alliance Multi-Academy Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed James Cowper Kreston, the external auditors, to perform additional checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on The Alliance Multi-Academy Trust's financial systems. On an annual basis, the reviewer reports to the Board of Trustees on the operation of the systems of control.

THE ALLIANCE MULTI-ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

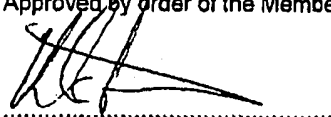
Review of effectiveness

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

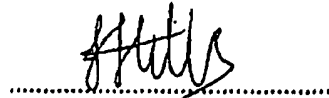
- the work of the Responsible Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Members of the board of Trustees on 13 December 2019 and signed on their behalf by:



Mr Keith Gardner
Chair of Trustees



Mr Jon Hillis
Accounting Officer

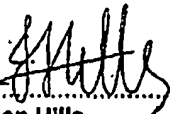
THE ALLIANCE MULTI-ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Alliance Multi-Academy Trust I have considered my responsibility to notify the Academy Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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


.....
Mr Jon Hills
Accounting Officer
Date: 13 December 2019

THE ALLIANCE MULTI-ACADEMY TRUST
(A company limited by guarantee)

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

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

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

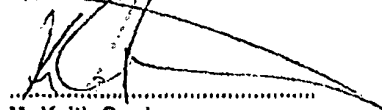
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

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



Mr Keith Gardner
Chair of Trustees

13 December 2019

THE ALLIANCE MULTI-ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ALLIANCE MULTI-ACADEMY TRUST**

Opinion

We have audited the financial statements of The Alliance Multi-Academy Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

THE ALLIANCE MULTI-ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ALLIANCE MULTI-ACADEMY TRUST (CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

THE ALLIANCE MULTI-ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ALLIANCE MULTI-ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Darren O'Connor BSc (Hons) FCCA ACA (Senior statutory auditor)
for and on behalf of
James Cowper Kreston
Chartered Accountants
Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

Date: 10 February 2020

THE ALLIANCE MULTI-ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
ALLIANCE MULTI-ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 16 October 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Alliance Multi-Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Alliance Multi-Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Alliance Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 30 September 2013 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

Our work on regularity included a review of the internal controls, policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

THE ALLIANCE MULTI-ACADEMY TRUST
(A company limited by guarantee)

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

Specific work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Board of Governors and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and noncompliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

Conclusion

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



James Cowper Kreston

Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

Date: 20 February 2020

THE ALLIANCE MULTI-ACADEMY TRUST
(A company limited by guarantee)

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	65,749	-	285,081	350,830	9,611,940
Charitable activities		76,803	5,752,086	-	5,828,889	3,572,752
Other trading activities		234,196	-	-	234,196	114,959
Investments	6	476	-	-	476	154
Total income		377,224	5,752,086	285,081	6,414,391	13,299,805
Expenditure on:						
Charitable activities		219,485	6,304,125	249,504	6,773,114	3,953,024
Total expenditure		219,485	6,304,125	249,504	6,773,114	3,953,024
Net income/(expenditure)		157,739	(552,039)	35,577	(358,723)	9,346,781
Transfers between funds	17	(30,485)	30,485	-	-	-
Net movement in funds before other recognised gains/(losses)		127,254	(521,554)	35,577	(358,723)	9,346,781
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	22	-	(711,000)	-	(711,000)	359,000
Net movement in funds		127,254	(1,232,554)	35,577	(1,069,723)	9,705,781
Reconciliation of funds:						
Total funds brought forward		301,250	(1,351,446)	14,231,884	13,181,688	3,475,907
Net movement in funds		127,254	(1,232,554)	35,577	(1,069,723)	9,705,781
Total funds carried forward		428,504	(2,584,000)	14,267,461	12,111,965	13,181,688

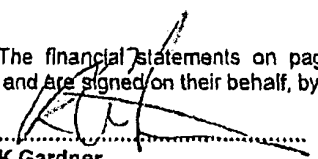
The notes on pages 27 to 50 form part of these financial statements.

THE ALLIANCE MULTI-ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08576427

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	14,180,141	14,132,280
		<u>14,180,141</u>	<u>14,132,280</u>
Current assets			
Debtors	15	354,871	272,165
Cash at bank and in hand		817,623	861,243
		<u>1,172,494</u>	<u>1,133,408</u>
Creditors: amounts falling due within one year	16	(656,670)	(517,000)
Net current assets		<u>515,824</u>	<u>616,408</u>
Total assets less current liabilities		<u>14,695,965</u>	<u>14,748,688</u>
Net assets excluding pension liability		<u>14,695,965</u>	<u>14,748,688</u>
Defined benefit pension scheme liability	22	(2,684,000)	(1,567,000)
Total net assets		<u><u>12,111,965</u></u>	<u><u>13,181,688</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	17	14,267,461	14,231,884
Restricted income funds	17	-	215,554
		<u>14,267,461</u>	<u>14,447,438</u>
Restricted funds excluding pension asset	17	14,267,461	14,447,438
Pension reserve	17	(2,584,000)	(1,567,000)
Total restricted funds	17	<u>11,683,461</u>	<u>12,880,438</u>
Unrestricted income funds	17	<u>428,504</u>	<u>301,250</u>
Total funds		<u><u>12,111,965</u></u>	<u><u>13,181,688</u></u>

The financial statements on pages 24 to 50 were approved by the Trustees, and authorised for issue on 13/12/19 and are signed on their behalf, by:


K Gardner
Chair of Trustees

The notes on pages 27 to 50 form part of these financial statements.

THE ALLIANCE MULTI-ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(31,812)	442,728
Cash flows from investing activities	20	(11,808)	(10,031)
Change in cash and cash equivalents in the year		(43,620)	432,697
Cash and cash equivalents at the beginning of the year		861,243	428,546
Cash and cash equivalents at the end of the year	21	<u>817,623</u>	<u>861,243</u>

The notes on pages 27 to 50 form part of these financial statements

THE ALLIANCE MULTI-ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

The Alliance Multi-Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

THE ALLIANCE MULTI-ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.3 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.4 Fund accounting

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

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

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

1.5 Going concern

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

THE ALLIANCE MULTI-ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.6 Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold land	- 125 years
Property	- 25 to 50 years straight line
Furniture and equipment	- 5 years straight line
Computer equipment	- 3 years straight line

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

1.7 Operating leases

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

1.8 Taxation

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

1.9 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.

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

1. Accounting policies (continued)

1.10 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.

1.11 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 trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. 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.

1.12 Financial instruments

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

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

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

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

1. Accounting policies (continued)

1.13 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 trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, 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
FOR THE YEAR ENDED 31 AUGUST 2019**

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Academy Trust 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.

Local Government Pension Schemes

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations and other voluntary income	65,749	-	65,749	125,362
Capital grants	-	285,081	285,081	107,086
Transfer from Local Authority on conversion	-	-	-	9,379,492
	<u>65,749</u>	<u>285,081</u>	<u>350,830</u>	<u>9,611,940</u>
Total 2018	<u>33,778</u>	<u>9,578,162</u>	<u>9,611,940</u>	

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

4. Funding for the academy's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	4,997,551	4,997,551	2,860,772
Other DfE Group grants	-	516,273	516,273	307,738
	-	5,513,824	5,513,824	3,168,510
Other Government grants				
Other grants	-	191,481	191,481	224,247
	-	191,481	191,481	224,247
Other income				
Other income from educational activities	76,803	46,781	123,584	179,995
	76,803	46,781	123,584	179,995
	76,803	5,752,086	5,828,889	3,572,752
Total 2018	179,995	3,392,757	3,572,752	

Other income from educational activities includes payment towards school trips outside the curriculum, school meals and before/after school clubs.

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from other trading activities	234,196	234,196	114,959

In 2018, of the income from other trading activities, £114,959 was related to unrestricted funds and £nil to restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment income	476	476	154

In 2018, of the total investment income, £154 was related to unrestricted funds and £nil to restricted funds.

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Activities:					
Direct costs	3,209,881	-	432,548	3,642,429	2,189,442
Allocated support costs	1,887,701	319,570	923,414	3,130,685	1,763,582
	<u>5,097,582</u>	<u>319,570</u>	<u>1,355,962</u>	<u>6,773,114</u>	<u>3,953,024</u>
Total 2018	<u>2,924,682</u>	<u>131,477</u>	<u>896,865</u>	<u>3,953,024</u>	

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

8. Analysis of expenditure by activities

	Direct costs 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Charitable activities	3,642,429	3,130,685	6,773,114	3,953,024
Total 2018	2,189,442	1,763,582	3,953,024	

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	1,887,701	1,077,144
Depreciation	249,504	171,553
Maintenance of premises and equipment	98,874	97,209
Cleaning	68,899	32,982
Rates	39,181	14,494
Water rates	17,734	5,999
Energy	84,000	44,735
Insurance	68,249	28,733
Catering	279,917	131,114
Indirect staff costs	16,736	13,074
Technology costs	109,898	28,849
Governance costs	9,335	15,657
Telephone costs	9,957	5,798
Legal and professional costs	71,786	78,833
Transport	26,280	2,803
Other support costs	92,634	14,605
	3,130,685	1,763,582

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

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Depreciation of tangible fixed assets	249,504	171,553
Fees paid to auditors for:		
- audit	9,250	9,250
- other services	5,275	5,500
	<u>249,504</u>	<u>171,553</u>

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	3,810,102	2,158,060
Social security costs	298,138	171,635
Pension costs	926,872	552,277
	<u>5,035,112</u>	<u>2,881,972</u>
Agency staff costs	62,470	42,710
	<u>5,097,582</u>	<u>2,924,682</u>

b. Staff numbers

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

	2019 No.	2018 No.
Teacher	72	41
Administration and support	134	79
Management	16	8
	<u>222</u>	<u>128</u>

The average staff numbers for the prior year include 12 months for Connaught Junior School and 5 months for the 4 academies which joined on 1st April 2018.

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

10. Staff costs (continued)

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	2	1

The above employees participated in the Teachers' Pension Scheme. During the year end 31 August 2019 employer's pension contributions amounted to £45,796 (2018: £23,346).

d. Key management personnel

The key management personnel of the academy trust comprise of the Trustees and the trust senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £226,302 (2018: £242,847).

11. Central services

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

- Central business team
- Finance and administration services
- ICT services

The Academy Trust charges for these services on the following basis:

The trust funded the provision of these central services this year by charging each academy a central services fee of 6% of GAG. This percentage will be reviewed on an annual basis.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Connaught Junior School	84,128	18,942
Crawley Ridge Infant School	37,288	10,871
Crawley Ridge Junior School	48,726	11,558
Windlesham Village Infant School	29,944	8,517
Holy Trinity CofE Primary School	71,496	19,883
Total	271,582	69,771

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12. Trustees' remuneration and expenses

During the year ended 31 August 2019, no Trustee received any remuneration or other benefits.

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

		2019	2018
		£	£
S Sales (CEO and Accounting Officer), resigned 31/03/2018	Remuneration	n/a	45,000 - 50,000
	Pension contributions paid	n/a	5,000 - 10,000
S McGann (Headteacher), resigned 31/03/2018	Remuneration	n/a	35,000 - 40,000
	Pension contributions paid	n/a	0 - 5,000

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - *£nil*).

13. Trustees' and Officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

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

	Land and buildings £	Assets under construction £	Furniture and fixtures £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2018	14,272,095	-	196,044	92,144	14,560,283
Additions	241,060	30,000	9,000	17,305	297,365
At 31 August 2019	<u>14,513,155</u>	<u>30,000</u>	<u>205,044</u>	<u>109,449</u>	<u>14,857,648</u>
Depreciation					
At 1 September 2018	290,015	-	64,257	73,731	428,003
Charge for the year	183,163	-	41,008	25,333	249,504
At 31 August 2019	<u>473,178</u>	<u>-</u>	<u>105,265</u>	<u>99,064</u>	<u>677,507</u>
Net book value					
At 31 August 2019	<u>14,039,977</u>	<u>30,000</u>	<u>99,779</u>	<u>10,385</u>	<u>14,180,141</u>
At 31 August 2018	<u>13,982,080</u>	<u>-</u>	<u>131,787</u>	<u>18,413</u>	<u>14,132,280</u>

The Trust took out a 125 year lease over the land and buildings transferred from Surrey County Council for all school other than Holy Trinity C of E Primary School. The land and buildings transferred and assigned at conversion have been valued at an estimate of their fair value at conversion. In determining this value, the Trustees have referred to valuations provided from the ESFA.

The Alliance Multi-Academy Trust (TAMAT) occupies land and buildings, at Holy Trinity C of E Primary School, which are provided to it and owned by various land Trustees ('the Site Trustees'). TAMAT occupies this land and buildings under the terms of Supplemental Agreements between the Guildford Diocesan Board of Education, the Site of Trustees and TAMAT, which provide TAMAT with the right to use the buildings and land they sit on at Holy Trinity C of E Primary School for an indefinite period, subject to a 2 year termination notice period, which amounts to a mere licence. The Directors considered the fact that TAMAT occupies the buildings as may be or may come to be erected on it and land they sit on by a mere licence, which transfers to TAMAT no rights or control over the sites save that of occupying it at the will of the Site Trustees under the terms of the relevant site trust, the Directors have concluded that the value of the land and buildings, at Holy Trinity C of E Primary School, occupied by TAMAT should not be recognised on the balance sheet of TAMAT.

TAMAT also occupies land being school playing fields at Holy Trinity C of E Primary School, under 125 year lease with Surrey County Council, which has been accounted for as long leasehold property and included in the balance sheet.

Included in the value of land and buildings is land at a net book value of £8,744,544 (2018: £8,815,737).

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15. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	73,558	40,500
Other debtors	57,112	203,940
Prepayments and accrued income	224,201	27,725
	<u>354,871</u>	<u>272,165</u>

16. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	291,760	215,152
Other taxation and social security	75,698	75,109
Other creditors	105,784	89,129
Accruals and deferred income	183,428	137,610
	<u>656,670</u>	<u>517,000</u>

	2019 £	2018 £
Deferred income at 1 September 2018	115,725	12,500
Resources deferred during the year	123,613	115,725
Amounts released from previous periods	(115,725)	(12,500)
Deferred income as at 31 August 2019	<u>123,613</u>	<u>115,725</u>

The deferred income balance consists of amounts related to 2019/20 ESFA income for rates relief and free school meals.

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

17. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	301,250	377,224	(219,485)	(30,485)	-	428,504
Restricted general funds						
General Annual Funds (GAG)	215,554	4,997,551	(5,243,590)	30,485	-	-
Other DfE/ESFA grants	-	516,273	(516,273)	-	-	-
Local Authority grants	-	191,481	(191,481)	-	-	-
Other income	-	46,781	(46,781)	-	-	-
Pension reserve	(1,567,000)	-	(306,000)	-	(711,000)	(2,584,000)
	<u>(1,351,446)</u>	<u>5,752,086</u>	<u>(6,304,125)</u>	<u>30,485</u>	<u>(711,000)</u>	<u>(2,584,000)</u>
Restricted fixed asset funds						
Transfer from local authority	13,487,584	-	(183,163)	-	-	13,304,421
DfE/ESFA capital grants	744,300	285,081	(66,341)	-	-	963,040
	<u>14,231,884</u>	<u>285,081</u>	<u>(249,504)</u>	<u>-</u>	<u>-</u>	<u>14,267,461</u>
Total Restricted funds	<u>12,880,438</u>	<u>6,037,167</u>	<u>(6,553,629)</u>	<u>30,485</u>	<u>(711,000)</u>	<u>11,683,461</u>
Total funds	<u><u>13,181,688</u></u>	<u><u>6,414,391</u></u>	<u><u>(6,773,114)</u></u>	<u><u>-</u></u>	<u><u>(711,000)</u></u>	<u><u>12,111,965</u></u>

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

ESFA revenue grant fund relates to the each academy's development and educational activities. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Restricted fixed asset fund relates to fixed assets transferred from the state maintained schools, ESFA capital grant fund relates to a refurbishment grant.

Unrestricted funds represents income generated by the academy trust (such as lettings and hire of facilities) and any other donations or investment income, which is not restricted for any specific purpose and can be spent as determined by the Governing Body.

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17. Statement of funds (continued)

The LGPS deficit fund 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 pension liability has not crystallised and the Trustees do not need to designate any of their existing funds to meet future pension commitments. Parliament, at the request of the Secretary of State for Education, has guaranteed 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.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Connaught Junior School	116,051	74,011
Holy Trinity CofE Primary School	64,731	106,315
Crawley Ridge Infant School	133,762	96,520
Crawley Ridge Junior School	119,106	59,634
Windlesham Village Infant School	107,730	130,979
The Alliance Multi-Academy Trust	(112,876)	49,345
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	428,504	516,804
Restricted fixed asset fund	14,267,461	14,231,884
Pension reserve	(2,584,000)	(1,567,000)
	<hr/>	<hr/>
Total	12,111,965	13,181,688
	<hr/>	<hr/>

The deficit in The Alliance Multi-Academy Trust fund is due to initial start-up costs of the Trust and included a full-time CEO and organisational change programme which has led to future savings. The deficit will be negated in coming years as one-off start up commitments have been fulfilled and a new Leadership structure is in place to include a part-time CEO. The Central Charge is expected to meet and gradually reduce this deficit.

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17. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Connaught Junior School	978,474	375,434	67,627	326,589	1,748,124	1,847,635
Holy Trinity CofE Primary School	883,954	357,441	27,412	286,006	1,554,813	623,831
Crawley Ridge Infant School	380,511	190,419	14,998	164,391	750,319	304,493
Crawley Ridge Junior School	499,769	370,895	7,070	181,127	1,058,861	451,709
Windlesham Village Infant School	372,057	165,471	3,488	114,882	655,898	260,374
The Alliance Multi-Academy Trust	95,116	170,041	3,401	181,037	449,595	126,429
Pension expense	-	306,000	-	-	306,000	167,000
Academy Trust	3,209,881	1,935,701	123,996	1,254,032	6,523,610	3,781,471

The prior year costs above included a full 12 months for Connaught Junior School compared to only 5 months for the other academies.

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17. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	129,552	328,886	(157,188)	-	-	301,250
Restricted general funds						
General Annual Grant (GAG)	(95,390)	2,860,769	(2,519,825)	(30,000)	-	215,554
Other DfE/ESFA grants	-	307,738	(307,738)	-	-	-
Local authority grants	-	224,250	(224,250)	-	-	-
Other income	-	78,757	(78,757)	-	-	-
Transferred on conversion from Local Authority	-	326,713	(326,713)	-	-	-
Pension reserve	(438,000)	(1,321,000)	(167,000)	-	359,000	(1,567,000)
	<u>(533,390)</u>	<u>2,477,227</u>	<u>(3,624,283)</u>	<u>(30,000)</u>	<u>359,000</u>	<u>(1,351,446)</u>
Restricted fixed asset funds						
Transfer from local authority	3,302,132	10,289,000	(103,548)	-	-	13,487,584
DfE/ESFA capital grants	577,613	204,692	(68,005)	30,000	-	744,300
	<u>3,879,745</u>	<u>10,493,692</u>	<u>(171,553)</u>	<u>30,000</u>	<u>-</u>	<u>14,231,884</u>
Total Restricted funds	<u>3,346,355</u>	<u>12,970,919</u>	<u>(3,795,836)</u>	<u>-</u>	<u>359,000</u>	<u>12,880,438</u>
Total funds	<u><u>3,475,907</u></u>	<u><u>13,299,805</u></u>	<u><u>(3,953,024)</u></u>	<u><u>-</u></u>	<u><u>359,000</u></u>	<u><u>13,181,688</u></u>

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

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	14,180,141	14,180,141
Current assets	428,504	656,670	87,320	1,172,494
Creditors due within one year	-	(656,670)	-	(656,670)
Provisions for liabilities and charges	-	(2,584,000)	-	(2,584,000)
Total	428,504	(2,584,000)	14,267,461	12,111,965

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	14,132,280	14,132,280
Current assets	228,084	793,839	111,485	1,133,408
Creditors due within one year	73,166	(578,285)	(11,881)	(517,000)
Provisions for liabilities and charges	-	(1,567,000)	-	(1,567,000)
Total	301,250	(1,351,446)	14,231,884	13,181,688

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

	2019 £	2018 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(358,723)	9,346,781
Adjustments for:		
Depreciation	249,504	171,553
Capital grants from DfE and other capital income	(285,081)	(137,086)
Defined benefit pension scheme obligation inherited	-	1,321,000
Defined benefit pension scheme cost less contributions payable	258,000	140,000
Defined benefit pension scheme finance cost	48,000	27,000
Increase in debtors	(82,706)	(210,827)
Increase in creditors	139,670	141,067
Interest received	(476)	(154)
Transfer on conversion	-	(10,356,606)
Net cash (used in)/provided by operating activities	(31,812)	442,728

20. Cash flows from investing activities

	2019 £	2018 £
Purchase of tangible fixed assets	(297,365)	(214,877)
Capital grants from DfE Group	285,081	174,692
Interest receivable	476	154
Capital donations	-	30,000
Net cash used in investing activities	(11,808)	(10,031)

21. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	817,623	861,243
Total cash and cash equivalents	817,623	861,243

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22. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £82,253 were payable to the schemes at 31 August 2019 (2018 - £73,706) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies 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 September 2019.

The employer's pension costs paid to TPS in the year amounted to £411,211 (2018 - £220,078).

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

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

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22. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £328,000 (2018 - £187,000), of which employer's contributions totalled £257,000 (2018 - £146,000) and employees' contributions totalled £ 71,000 (2018 - £41,000). The agreed contribution rates for future years are 20.7 per cent for employers and 5.5-12.5 per cent for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	2.60	2.70
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	1.80	2.80

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.6	22.5
Females	23.6	24.6
<i>Retiring in 20 years</i>		
Males	22.5	24.1
Females	25.0	26.4

The Academy Trust's share of the assets in the scheme was:

	At 31 August 2019 £	At 31 August 2018 £
Equities	1,964,000	1,646,000
Corporate bonds	498,000	389,000
Property	221,000	160,000
Cash and other liquid assets	83,000	91,000
Total market value of assets	2,766,000	2,286,000

The actual return on scheme assets was £157,000 (2018 - £125,000).

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22. Pension commitments (continued)

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

	2019 £	2018 £
Current service cost	(461,000)	(286,000)
Past service cost	(54,000)	-
Interest income	68,000	57,000
Interest cost	(116,000)	(30,000)
Total amount recognised in the Statement of Financial Activities	(563,000)	(259,000)

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

	2019 £	2018 £
Opening defined benefit obligation	3,853,000	986,000
Upon conversion	-	2,752,000
Current service cost	461,000	286,000
Interest cost	116,000	57,000
Employee contributions	71,000	41,000
Actuarial losses/(gains)	800,000	(264,000)
Benefits paid	(5,000)	(5,000)
Past service costs	54,000	-
At 31 August	5,350,000	3,853,000

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

	2019 £	2018 £
Opening fair value of scheme assets	2,286,000	548,000
Upon conversion	-	1,431,000
Expected return on assets	68,000	30,000
Actuarial gains	89,000	95,000
Employer contributions	257,000	146,000
Employee contributions	71,000	41,000
Benefits paid	(5,000)	(5,000)
At 31 August	2,766,000	2,286,000

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23. Operating lease commitments

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

	2019 £	2018 £
Within 1 year	5,696	6,432
Between 1 and 5 years	2,772	8,468
	<u>8,468</u>	<u>14,900</u>

24. 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.

25. Related party transactions

Owing to the nature of the Academy Trust's operations 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 a trustees has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No related party transactions took place, other than certain Trustees' remuneration and expenses already disclosed in note 12.