

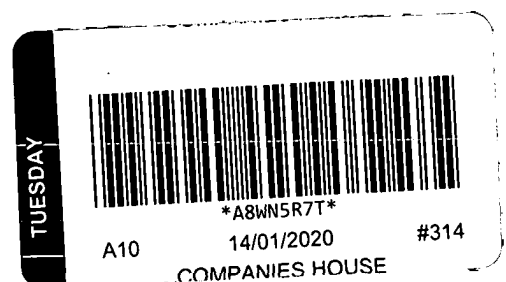
REGISTRAR COPY

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019



DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Paul Dickens Norman Hoare The Ven Janet Mackenzie Andrew Wellbeloved Shirley Whales Lee Coley (resigned 9 July 2019)
Trustees	Paul Dickens, Chair of Trustees The Rt Rev'd Richard Atkinson, Vice Chair Lindsay Fraser, Trustee Robin Humber, Trustee David Morton, Trustee Natalie Dalvarez, Trustee (resigned 9 July 2019) Tony Williams, Trustee (resigned 1 January 2019) Carole Bennett, Accounting Officer (appointed 4 March 2019)
Company registered number	10449374
Company name	Diocese of St Albans Multi-Academy Trust
Principal and registered office	Manshead CE Academy Dunstable Road, Caddington Luton Bedfordshire LU1 4BB
Chief executive officer	Carole Bennett
Senior management team	Carole Bennett, Chief Executive Officer - appointed 04/03/2019 Natalie Dalvarez, Deputy Chief Executive Officer - appointed 22/07/2019 Gemma Barber, Trust Education Director - appointed 01/09/2019 David Morton, Interim Chief Executive Officer - end of contract 31/08/2018 Charlotte Johnson, Interim Chief Executive Officer - end of contract 01/09/2018 Paula Burgess, Chief Operations Officer - resigned 07/06/2019 Rachel Palmer, Finance Manager - appointed 04/06/2019
Independent auditors	MHA MacIntyre Hudson Chartered Accountants Statutory Auditors Peterbridge House The Lakes Northampton NN4 7HB
Bankers	Barclays Bank PLC Leicester Leicestershire LE87 2BB

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Solicitors	Lee Bolton Monier Williams 1 Sanctuary Westminster London SW1P 3JT
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DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Academy Trust operates 7 academies for pupils aged 4 to 18 within the Diocese of St Albans (Bedford Borough Council, Central Bedfordshire Council, Luton Borough Council, Hertfordshire County Council, a small part of Buckinghamshire County Council and the London Borough of Barnet). It has a pupil capacity of 2,477 and had a roll of 1,689 in the school census in January 2019.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Diocese of St Albans Multi-Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company operates as Diocese of St Albans Multi-Academy Trust.

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

Members' liability

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

Trustees' indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Multi Academy Trust. The insurance provides cover up to £1,000,000 on any one claim.

Method of recruitment and appointment or election of Trustees

The Trustees have been elected and co-opted on the basis of their skills and experience. The management of the Diocese of St Albans Multi-Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All Trustees are provided with copies of policies, procedures, minutes, accounts, budget plans and other documents that they will need to undertake their role as Trustees.

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

Structure, governance and management (continued)

Organisational structure

As a charity and a company limited by guarantee, Diocese of St Albans Multi Academy Trust is governed by a Board of Members who appoint Trustees who are in turn responsible for, and oversee, the management and administration of the Trust and the schools run by the Trust: Manshead CE Academy, Churchfield CE Academy, Caldecote CE Academy, Thomas Whitehead CE Academy, Kensworth CE Academy, Totternhoe CE Academy and Roxton CE Academy.

The Trust's management structure consists of four levels: The Board of Trustees, Regional Hub Boards/Local Governing Boards (RHB/LGBs), the Chief Executive Officer and the Trust Senior Leadership Teams.

The Trustees are accountable to external government agencies including the Education Skills Funding Agency (ESFA) for the quality of the education they provide. They are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust by the use of results and budgets and making major strategic decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The Trustees appoint members of each Regional Hub Board and of each Local Governing Board who have the skills, experience and ability to act as the advisory bodies to the Diocese of St Albans Multi Academy Trust.

The key functions of the Governing Boards are:

- To provide effective interim governance for each of the DSAMAT Academies that enter the Trust in Special Measures or Serious Weaknesses;
- To prepare each school for transition to governance by Local Governing Boards;
- To support Academies in a way that ensures improvement and promotes high standards of educational achievement;
- To ensure effective safeguarding;
- To monitor and be accountable for standards and performance of its schools and report to the board of Trustees through the Chief Executive Officer.
- To contribute to each school's self-evaluation and understand its strengths and weaknesses.

The Trustees delegate day to day responsibility for the running of the Trust to the Chief Executive Officer who in turn delegates responsibility for School Improvement to the Trust Education Director, and financial management and operational issues to the Trust Deputy Chief Executive Officer.

Academies within the Trust operate within the Trust Scheme of Delegation which delegates different levels of authority to schools depending on their Ofsted grading and internally assessed needs. This is reviewed annually and at point of inspection.

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

Structure, governance and management (continued)

Arrangements for setting pay and remuneration of key management personnel

The Trust has a detailed Pay Policy in place that outlines the processes and procedures that are used in setting the pay and remuneration of all staff within the Trust. The pay of headteachers is based on recommendations by the CEO, Trust Education Director and Chair of the RHB, after a detailed performance review. The Pay and Performance Committee review and ratify the recommendations in regard to Head teachers. A rigorous system of Performance Management is in place in each academy that is regularly reviewed and updated. There is a direct link between pay and performance and all staff are set clear objectives for their personal performance for the year. The Performance Management process is carefully reviewed both mid year and annually. Headteachers provide an anonymised mid year report, outlining any staff underperformance, with clear steps in place to address this. An annual report on the outcomes of the Performance Management cycle is also produced.

Employees and disabled persons

The Trust's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities.

Disabled employees receive appropriate training to promote their career development within the Trust. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

The Trust is an equal opportunities employer and its policies for the recruitment, training, career development and promotion of employees are based on the relevant merits and abilities of the individuals concerned. This is regardless of race, colour, ethnic or national origin, religious belief, political opinion or affiliation, sex, marital status, sexual orientation, gender reassignment, age or disability.

Trade union facility time

The Diocese of St Albans Multi-Academy Trust does not currently support Trade Union Facilities Time. The Trust does not have any relevant Union Officials.

Percentage of time spent on facility time = 0%

Percentage of pay bill spent on facility time = 0%

Paid trade union activities = 0

Related parties and other connected charities and organisations

The Trust is linked to the Diocese of St Albans Educational Trust who appoint the Trust's members. The Trust also has links with the Diocese of St Albans Board of Education as all of the Trust Academies are currently Church of England Academies within the Diocese of St Albans.

The Trust works with other school networks, both locally and nationally, to further the principal activities of the Trust. This includes the informal network of 136 Church Schools located in the Diocese of St Albans.

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

Strategic Report

Objectives and activities

The Object of the Company is to 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) Church of England schools 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 having regard to any advice issued by the Diocesan Board of Education; and
- (ii) Other Academies whether with or without a designated religious character; but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated as a Church of England school.

The Trust welcomes students from all backgrounds.

Objects and Aims

a) Aim

The Diocese of St Albans Multi-Academy Trust aims to be a Church of England Trust that creates and maintains Church of England Academies which serve their local communities through the provision of a rich and diverse curriculum underpinned by Christian Values.

Following the principles used to establish Church of England schools in the 1800s, the Diocese of St Albans Multi Academy Trust remains committed to, where possible, providing a locally based high quality education that respects local practice and customs whilst benefitting from a regional network of support. Academies that are part of the Trust will retain their name, school uniform and local customs whilst benefitting from the alignment of financial, school improvement provision and other services.

b) Objective

Underpinning all of the Trust's work is a belief in educational excellence. The Trust's primary objective is to serve all stakeholders by providing academies with the highest levels of academic rigour and pastoral care. The Trust's academies will be places where children and young people develop and thrive intellectually, socially, culturally and spiritually. All of the Trust's schools will teach a broad, balanced and creative curriculum within national guidelines focusing on core skills. This is designed to ensure that all pupils reach their academic potential and seek to enrich their experience along the way. Pupils will be enabled to succeed in an atmosphere of high expectation, aspiring to educational excellence with a firm foundation of Christian values.

c) Growth Strategy and Membership

The Trust was established to provide for three different types of Church of England school within the Diocese of St Albans:

- schools requiring rapid improvement having been placed in Special Measures and subject to a directive Academy Order;
- good or outstanding church schools;
- new schools within newly created housing provision where the Diocese of St Albans is the identified sponsor.

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

Strategic Report (continued)

The Trust will also consider applications from other schools supportive of the Trust's ethos, including community schools, on a case by case basis.

Schools joining the Trust are initially placed within one of the RHBs, or continue with a LGB. There are currently two RHBs, one covering Bedfordshire and the other Hertfordshire and the North of Bedfordshire. Due to the nature of some of the schools admitted to the Trust, it is recognised that some Academies may eventually be brokered, with their agreement, into locally led Church of England provision.

d) Achievements and Performance

This report covers the second year of operation of the Diocese of St Albans Multi-Academy Trust, which has grown from being newly established, to containing 7 Academies educating in excess of 1,689 pupils. Senior staff have been appointed including a Chief Executive Officer from March 2019 and a Deputy Chief Executive Officer from July 2019. The Trust has established a central school improvement team, a central finance and operations team and a service delivery team to support the delivery of IT. The Trust has introduced a centralised financial management system and has worked with Trust Headteachers to establish centralised pupil tracking systems along with other centralised data collection tools.

The Trust Board has monitored and set strategic direction for finance and operations through the work of its Finance and Operations Committee and has challenged and supported Academies as they have entered the Trust both through the work of the two Regional Hub Boards and also at Trust level through the work of the Trust's Standards Committee.

e) Key Milestones

Key milestones include:

Trust Membership

- Admittance of Roxton CE Academy;
- Successful application to the DfE for Totternhoe CE Academy to convert to adopt a religious designation as a CE Academy (August 2019);
- Ongoing discussions with three schools considering joining the Trust in September 2020.

Governance

- Appointment and induction of a Local Governing Body at Manshead CE Academy (Sept 2019);
- An agreement to migrate RHB functions to LGBs;
- Appointment of two new board members to the Trust Board;
- Identification of prospective hub and local governing board members for the 2019/20 academic year.

Strategic and Operational

- The appointment of a new CEO and Deputy CEO (Operations), focussing on Trust sustainability and growth;
- The appointment of a new finance manager to improve financial reporting;
- The development of a new school improvement team, focussing on teaching and learning as well as leadership;
- Implementation of centralised Trust policies including pay and performance, safeguarding, health and safety, admissions, data protection and risk management planning.

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

Strategic Report (continued)

School Effectiveness

- The appointment of new Headteachers at Roxton and Caldecote CE Academies;
- The improvement in progress measures at Manshead CE Academy;
- The development of a new educational team, including a new Teaching, Learning and Curriculum Adviser to improve classroom practice;
- The rapid improvement of Churchfield CE Academy KS2 data;
- The review and implementation of a new curriculum in all academies.

Public benefit

In setting the objectives and planning activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education

School performance

During the first full academic year of progress the Trust's Academies performance was as follows:

(Bold text shows an improvement on last year, a * indicates small cohorts)

GLD

National	2016	2017	2018	2019
	69%	71%	72%	Not published yet
MAT	N/A	70%	67%	72%
Totternhoe	81%	88%	84%	80% (24/30)
Kensworth	77%	54%	64%	72% (8/11)
Thomas Whitehead	63%	69%	58%	54.5% (21/33)
Caldecote	68%	87.50%	62%	76% (13/17)
Churchfield	76%	71%	69%	76% (25/33)
Roxton	N/A	N/A	N/A	51.7% (7/14)

Commentary:

SPTO analysis:

- Reading, writing and maths are the areas of learning where there is a smaller percentage of pupils achieving, and this has affected the GLD percentages for each academy and the MAT overall.
- However, from the initial baseline expected progress or better was made by all pupils across reception (125 pupils) apart from 4 in writing, 2 in reading and 2 in mathematics.

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

Strategic Report (continued)

Year 1 Phonics

	2016	2017	2018	2019
National	81%	81%	82%	82%
MAT	N/A	89%	81%	78%
Totternhoe	100%	94%	94%	95% (27/28)
Kensworth	73%	83%	82%	71% (10/14)
Thomas Whitehead	82%	91%	76%	61% (22/36)
Caldecote	67%	84%	77%	71% (5/7) *
Churchfield	86%	87%	81%	81% (35/43)
Roxton	N/A	N/A	N/A	83% (5/6) *

Commentary:

- Caldecote, Roxton and Kensworth all implemented a new phonics system this year, however the programme was not fully implemented until January. The impact of this is therefore not anticipated until 2020.
- Thomas Whitehead have also reviewed their approach to teaching phonics with the input of a local teaching school, however, training for staff did not happen until April so impact is anticipated in results from 2020.
- Early reading, along with vocabulary is a priority for academies and the Trust for 2019-20.

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

Strategic Report (continued)

Key stage 1

National	2016 R 74% GD 24% W not comparable M 73% GD 18%	2017 R 76% GD 25% W not comparable M 75% GD 21%	2018 R 75% GD 26% W 70% M 76% GD 22%	2019 R 76% GD 26% W 70% GD 16% M 76% GD 22%
MAT	N/A	R 76% W 64% M 75% C 62%	R 73% W 64% M 77% C 62%	R 72% W 66% M 72% C 63%
Totternhoe	N/A	R 88% W 82% M 77%	R 81% W 56% M 81% C 56%	R 75% (15/20) GD (5) 26% W 70% (14/20) GD (1) 5% M 65% (13/20) GD (2) 11% C 65% (11/20) GD (1) 0%
Kensworth	R 75% W 75% M 67% C 67%	R 67% W 44% M 89%	R 77% W 77% M 85% C 69%	R 67% (8/12) GD (3) 25% W 67% (8/12) GD (3) 25% M 75% (9/12) GD (3) 25% C 67% (8/12) GD (3) 25% *
Thomas Whitehead	R 71% W 55% M 71% C 53%	R 76% W 59% M 71%	R 59% W 42% M 68% C 42%	R 68% (27/40) GD (4) 10% W 63% (25/40) GD (1) 3% M 63% (25/40) GD (4) 10% C 60% (24/40) GD (1) 3%
Caldecote	R 86% W 64% M 14% C 14%	R 63% W 56% M 75%	R 73% W 73% M 73% C 67%	R 80% (8/10) GD (2) 20% W 80% (8/10) GD 0% M 80% (8/10) GD (1) 10% C 80% (8/10) GD 0% *

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

Strategic Report (continued)

Churchfield	R 84% W 77% M 79% C 74%	R 73% W 63% M 71%	R 79% W 77% M 84% C 77%	R 72% (28/39) GD (5) 13% W 62% (24/39) GD (5) 13% M 85% (34/39) GD (4) 10% C 62% (24/39) GD (4) 10%
Roxton	N/A	N/A	N/A	R 69% (9/13) GD (2) 15% W 62% (8/13) GD 0% M 62% (8/13) GD (3) 23% C 62% (8/13) GD 0%

Commentary:

- Thomas Whitehead and Caldecote improved on last year's outcomes in the majority of KPIs.

Key Stage 2

National	2016 R 66% W 74% M 70% GPS 73% C 53%	2017 R 72% W 76% M 75% GPS 77% C 61%	2018 R 75% W 78% M 75% GPS 78% C 64%	2019 R 73% W 78% M 79% GPS 78% C 65%
MAT	N/A	R 63% W 64% M 75% C 52%	R 64% GD 20% W 76% GD 14% M 73% GD 20% C 56% GD 7%	R 74% GD 17% W 67% GD 13% M 68% GD 22% GPS 73% GD 37% C 61% C 7%
Kensworth	R 67% W 83% M 67% C 50%	R 75% W 63% M 63% C 50%	R 17% W 50% M 33% C 17%	R (5/10) 50% GD (1) 10% W (6/10) 60% GD (3) 30% M (5/10) 50% GD (1) 10% GPS (5/10) 50% GD (1) 10% C (4/10) 40% GD 0% *

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

Strategic Report (continued)

Thomas Whitehead	R 53% W 70% M 43% C 37%	R 76% W 62% M 71% C 57%	R 58% W 71% M 65% C 49%	R (20/33) 61% GD (7) 21% W (17/33) 52% GD 0% M (15/33) 45% GD (1) 3% GPS (22/33) 67% GD (8) 24% C (14/33) 42% GD 0%
Churchfield	R 61% W 85% M 85% C 48%	R 55% W 75% M 70% C 50%	R 76% W 84% M 87% C 68%	R (33/34) 97% GD (9) 26% W (30/34) 88% GD (8) 24% M (32/34) 94% GD (14) 41% GPS (29/34) 85% GD (19) 56% C (30/34) 88% GD (5) 15%
Roxton	NA	NA	NA	R (6/10) 60% GD (3) 30% W (5/10) 50% GD 0% M (7/10) 70% GD (3) 30% GPS (7/10) 70% GD (4) 40% C (5/10) 50% GD 0% *

Commentary:

Churchfield had a successful year, being in the top 20% of the country for progress in reading and maths.

- Kenswath's results were a significant improvement on 2017 18.
- It was Roxton's first Y6 cohort and progress was average for reading and maths. Writing is a key focus for improvement moving forward.
- Thomas Whitehead progress in reading improved from 2017 18, but progress in maths and writing is below average. All attainment results are below national. This is therefore a key focus for development for the Trust.

Vulnerable Group Analysis based on SPTO data:

Pupil Premium

The performance of all Pupil Premium pupils across the MAT (based on SPTO data) there is no gap in writing progress and only a gap of 0.1 in Maths and reading, these gaps are the same as last year.

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

Strategic Report (continued)

Attainment gaps:

Subject	2017-18	2018-19
Combined	-11.50%	-9.50%
Writing	-11.80%	-11.30%
Reading	-11.30%	-6.40%
Maths	-8.10%	-8.50%

All gaps reduced for Pupil Premium Pupils last year, except in Maths

The percentage at ARE 2017-18 compared to 2018-19:

Combined +3.5%

Writing +0.6%

Reading +5.9%

Maths +3.6

SEND

Looking at the performance of all SEND pupils across the MAT (based on SPTO data) the gaps in all subjects have decreased this year, however, the attainment gap has increased. This could be due to differing needs of the SEND pupils or that teaching has not been meeting the needs of SEND pupils.

Progress:

Subject	2017-18	2018-19
Writing	-0.7	-0.6
Reading	-0.7	-0.6
Maths	-0.6	-0.5

Attainment:

Subject	2017-18	2018-19
Combined	12.70%	9.20%
Writing	15.80%	11.60%
Reading	20.30%	20.70%
Maths	21.20%	20.80%

Trust actions as a result of school improvement data:

- Progress and attainment of SEND pupils – through revised curriculum, effective tracking for SEND pupils (small steps) and quality first teaching potential to be part of nationwide SEND project.
- Ongoing focus on disadvantaged pupils through curriculum and quality first teaching.
- Trust wide Oracy project with a focus on vocabulary across the curriculum.
- Greater depth writing as a focus for development in 2020/21
- Network sessions to focus on reading
- Embedding the new curriculum.
- Personalised teaching and learning support from the Teaching, Learning and Assessment Lead.
- New MIS and assessment system to support the implementation of the new curriculums.
- Teacher development, linked to talent management work and engaging with research.

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

Strategic Report (continued)

Key stage 4 (provisional for 2018-19)

OUTCOMES Y11	16-17	17-18	18-19
Basics E&M (9-5): All	40.0%	26%	29%
Ebacc (9-5): All	13.0%	6.8%	6%
Attainment 8	47.23	39.95	40.61
Progress 8: All	0.02	-0.42	-0.19

The headline measures show a positive improvement in all but one area. The measures are still not in line with national however do demonstrate that a number of the strategies used impacted in a positive manner. The EBacc remains low and this is due to the low number of students wishing to take languages. The new curriculum structure will address this in 2021.

Analysis of the results shows the significant impact 8 students with medical health or placed in long-term off-site provision had on the results. The implementation of the LINC and the greater focus on support and positive relationships is assisting with the number of students in this situation.

The academy is working hard to raise teacher expectations and impact on student aspiration. This has been productive in Key stage 3 as can be seen in the increase in attainment shown by GL assessments (standardised tests).

Actions having impact

- Greater focus on quality of teaching and learning
- Diagnosis, Therapy Testing structure
- Revision and retrieve workshops
- Engagement of parents through the 'Journey' letter
- Targeted use of exam questions
- Higher expectations from staff

Further development Areas

- Progress of disadvantaged students – ACE agenda / LINC
- Monitoring the impact of the new curriculum
- Pace and challenge of lessons – raising expectations
- Knowledge utilisation
- Improvement of students' comprehension and understanding of exam questions
- Further impact of constructive feedback
- Engagement of parents, aspiration of students

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

Strategic Report (continued)

Attendance

Primary

Attendance

Attendance ⓘ Year to date attendance percentage	95.33% Your MAT	95.83% National Avg.	27th Percentile
Authorised Absence ⓘ Year to date authorised absence percentage	3.23% Your MAT	3.04% National Avg.	42nd Percentile
Unauthorised Absence ⓘ Year to date unauthorised absence percentage	1.43% Your MAT	1.13% National Avg.	26th Percentile
Persistent Absence ⓘ Year to date persistently absent (> 10%) percentage	11.11% Your MAT	8.67% National Avg.	25th Percentile

When comparing last year's attendance data for primary there has been a slight improvement in attendance +0.13 and an increase of 0.44% from 2017. There has also been a decrease in PA of 0.89%, which is positive. Attendance improvement continues to be a priority for the Trust.

Secondary

Cumulative	On Roll	On Roll	3rd September 2019 to 19th July 2019				
			Attend	Students < 90%	< 90%	Auth Absence	Unauth Absence
Year 7	143	154	95.6%	10	6.5%	3.7%	0.7%
Year 8	138	141	93.3%	24	17.0%	4.7%	2.1%
Year 9	178	174	94.7%	24	13.8%	4.3%	1.0%
Year 10	163	162	93.8%	26	16.0%	4.9%	1.4%
Year 11	198						
Whole School	820	631	94.3%	84	13.3%	4.4%	1.3%
Male	436	327	94.4%	42	12.8%	4.3%	1.3%
Female	384	304	94.3%	42	13.8%	4.5%	1.2%
Gap (Female - Male)	52	-23	-0.1%	0	1.0%	0.2%	-0.1%
Pupil Premium	183	165	91.8%	33	20.0%	5.7%	2.5%
Non-Pupil Premium	637	466	95.2%	51	10.9%	4.0%	0.8%
Gap (PP - Non-PP)		-301	-3.4%	-18	9.1%	1.7%	1.7%
SEND Statement or EHC	15	25	85.3%	7	28.0%	9.3%	5.4%
SEND Support	91	102	91.7%	24	24.0%	6.6%	1.8%
SEND Combined	106	127	91.0%	31	24.4%	6.7%	2.2%
Non-SEND	714	504	95.2%	53	10.5%	3.8%	1.0%
Gap (SEND - Non-SEND)		-377	-4.2%	-22	13.9%	2.9%	1.2%

Improvements in attendance have continued at Manshead this year, with overall attendance improving from 94.1% to 94.3% this year. The gap between PP and Non PP has also reduced from 4.2% to 3.4%. PA has reduced from 13.9% to 13.3%.

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

Strategic Report (continued)

The gap between SEND and non SEND attendance has decreased from 5.8% to 4.2% and PA gap has decreased from 15.8% to 13.9% with significant improvement for SEND PA- EHCP PA has reduced from 36.8% to 28%, SEND support from 28% to 24% and SEND combined from 29.2% to 24.4%.

Key performance indicators

Financial performance is monitored against budgets set and approved by the Trust Board. Basic benchmarking was undertaken as part of the budgeting process in the year 2018/19 but needs to be developed further.

The Trust monitors a range of key financial performance indicators including the staff costs, pupil teacher ratios, average teacher cost and proportion of budget spend on Leadership team and spend per pupil for non pay expenditure.

Going concern

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

Financial review

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

The Trust's consolidated financial statements for the year ended 31 August 2019 comprise of the activities of Churchfield CE Academy, Thomas Whitehead CE Academy, Manshead CE Academy, Caldecote CE Academy, Kensworth CE Academy, Totternhoe CE Academy, Roxton CE Academy (from 1 December 2018).

During the year ended 31 August 2019, total expenditure (excluding depreciation) of £12,128,989 was covered by grant funding from the ESFA and other income. The excess of expenditure over income for the period (excluding restricted fixed asset funds and before transfers and the pension scheme actuarial movement) was (£847,584)

At 31 August 2019 the net book value of fixed assets was £5,709,468. These assets were used exclusively for providing education to the Trust's pupils and related support services.

Reserves policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trust's policy for reserves is linked to and part of its formal consideration of the schools' going concern presumption. An appropriate level of reserves underlies the forecasts and projections that are used by the Board to confirm that schools are going concerns and are able to meet liabilities as they arise.

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

The Trustees have strong justification for the reserves held by the Trust, and are open and transparent on all aspects concerning the Trust's reserves policy.

Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. The Trust reserves balance is set aside to stabilise finances by providing for uncertainty over future ESFA funding and provide an internal source of funds for situations such as sudden increase in capital expenditure.

Under the grant conditions now set out by the ESFA, there are no restrictions on the level the Trust can hold of unspent General Annual Grant (GAG) from previous years. The Trustees plan to be far-sighted regarding recruitment and will not naturally replace like for like as staff leave the Trust naturally.

The deficit of the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities. The deficit can be met in the longer term on any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for the use on the general purposes of the Trust, at the discretion of the Trustees.

At 31 August 2019 the total funds comprised:

	£
Unrestricted	706,097
Restricted:	
Fixed asset funds	5,990,846
Pension reserve	(6,465,000)
Other	66,895
	<u>298,838</u>

Investment policy

The Trust currently holds no investments. The Trust plans only to invest in funds with minimal risk.

Principal risks and uncertainties

Risk management is embedded in the work of the Trust. The key risks have been determined as:

- recruitment of effective governing board members;
- further recruitment of effective trustees;
- change of Senior Leaders;
- a fall in educational standards/OfSTED outcomes;
- uncertainty regarding future government fund streams;
- the Trust's obligation to fund any deficit allocated to its share of the Local Government Pension Fund.

A separate Audit and Risk Committee has been established for the academic year 2019/20 to ensure that the Trust tracks and manages risks more proactively, and this process informs Trust development and improvement plans.

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Fundraising

During 2018/19 the Diocese of St Albans Multi-Academy Trust has not engaged in any centrally organised fundraising campaigns. Neither has it engaged, worked with, or overseen the work of any commercial fundraisers.

Plans for future periods

The Trust is, over the next 12 months, planning to develop further resilience within the schools by ensuring that the schools OfSTED ratings improve, that standards continue to rise, that the ethos and culture of the Trust is positive and rooted in the Church of England foundations of the Trust. As a result, pupil numbers should improve and therefore financial and strategic benefits can be realised. These include the development of a centralised data system, improved local financial management, local governance at every school and a move to a single central bank account. In line with its plans the Trust will embed the changes it has made to its governance structure and will, subject to skills audit, recruit further local governing board members and directors.

The Trust aims to recruit a further five schools over the next thirty six months that are currently graded as Requiring Improvement, Good or Outstanding, in order to ensure that three clusters of schools are developed. The Trust aims to deliver education support for more than 3000 pupils by 2020, realising efficiencies for the schools and the Trust.

Funds held as custodian Trustee on behalf others


The Trust or its trustees do not act as custodians on behalf of any other charity.

Disclosure of information to auditors

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 was approved by order of the board of Trustees, as the company directors, on 12 December 2019 and signed on its behalf by:


.....
Paul Dickens
Chair of Trustees

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

The Trustees of the Diocese of St Albans Multi-Academy Trust acknowledge their overall responsibility for ensuring that Diocese of St Albans 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 Diocese of St Albans 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 Board of Trustees met 5 times during the period.

Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Paul Dickens, Chair of Trustees	5	5
The Rt Rev'd Richard Atkinson, Vice Chair	4	5
Lindsay Fraser, Trustee	4	5
Robin Humber, Trustee	4	5
David Morton, Trustee	5	5
Natalie Dalvarez, Trustee (Resigned 9 July 2019)	3	5
Tony Williams, Trustee (Resigned 1 January 2019)	1	2
Carole Bennett, Accounting Officer (Appointed 4 March 2019)	3	3

Governance Review

During 2018/19 the Diocese of St Albans Multi-Academy Trust, through a process of continuous review, self-evaluated its governance and proposed amendments to structures, systems and processes to prepare the Trust for the next phase of its growth and development.

To achieve this the Trust carries out regular reviews with the Directors and Regional Hub Boards, and facilitates an annual strategy review day focussing on the efficacy and impact of governance.

This year, a number of milestones were achieved.

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Key milestones:

- Analyse the strengths and weaknesses of the temporary Regional Hub Boards;
- Agree to the formation of new Local Governing Boards;
- Recruit new Hub Board and local governance members following a skills audit process;
- Train and establish a new Local Governing Board (Manshead) ready for the commencement of the 2018-19 academic year;
- Support and enhance the governance of existing Trust governance through the appointment of a new Trust Secretary, providing clerking, administrative and policy support to all levels of governance;
- Support the governance of the Trust in exercising its statutory duty in respect of complaints and
- Embed existing good governance practice;
- Identify two new Board members for the 2018-19 academic year;
- Facilitate the appointment and induction of Local Advisory Councils at Totternhoe and Kensworth schools;
- Review and updated the Trust Schemes of Delegation;
- Reviewing and amended the roles and responsibilities of Members, Directors, Hub Board and Local Governing Board members.

The impact of these actions is that each layer of governance within the Trust is clearly defined. Academies are clearly held to account and this is starting to rapidly raise standards in some Academies. The introduction of Local Governing Boards enables schools to be further rooted in their local communities and develop locally responsive, scalable and sustainable governance. The four tier governance system makes it possible for the Trust to expand whilst maintaining accountability. Once embedded the Trust intends to commission an external review of governance in the summer term 2019.

Financial Management

The responsibility for financial management and oversight lies with the Trust Finance and Operations Committee which is a sub-committee of the main Board of Trustees. Its purpose is to provide financial oversight including budget setting and monitoring. The committee also has oversight of HR, Premises, Health and Safety and ICT.

Standards and Effectiveness

The responsibility for ensuring high standards across the Trust lie with the Trust Standards Committee which is a sub-committee of the main Board of Trustees. Its purpose is to monitor standards and school improvement across the Trust.

The Finance and Operations Committee is a sub-committee of the main Board of Trustees.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Natalie Dalvarez	4	5
Robin Humber, Chair	5	5
David Morton	3	3
Tony Williams (Resigned 1 January 2019)	1	2

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Standards Committee is also a sub-committee of the main board of Trustees.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Paul Dickens	4	4
Lindsay Fraser, Chair	4	4
David Morton	4	4

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, in conjunction with the Trust Finance and Operations Committee, considers how the Academy Trust 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 as follows:

General principles employed to ensure value for money.

The Trustees approve the annual budget for each school within the Trust and is mindful of the need to balance expenditure against income to ensure the Academy Trust remains a "going concern".

The Trust has a cycle of review for its ongoing services from external organisations to ensure those services continue to meet the needs of each school, are the best available at the time and offer good value for money.

Monthly budget monitoring reports are produced by each school within the Trust. These reports are monitored by the Trust and any remedial action taken to address any significant variances that may have an impact on the budget outturn.

The Trust will regularly benchmark financial performance against other academy trusts to demonstrate that the Trust provides good value for money.

Examples of cost saving – 2018/19

- All the Academy's within the Trust work collaboratively. Headteachers of each Academy meet regularly to share ideas, good practice and discuss issues. The transmission of good practice, combined with sharing of expertise has led to a reduction in staff training costs as expertise is shared across the Trust.
- The redevelopment of the educational team has generated Trust savings (reducing from three leadership advisers to a Trust Educational Director and Teaching, Learning and Curriculum Lead), whilst also refocussing support to the classroom, where most improvement is needed;
- The use of bottom up budgeting systems in schools, supported by governance, to embed challenge and refocus funding to areas of most need;
- The commissioning of a new Trust data system, which will release savings to schools in Y2 and Y3;

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

- The development of bids for funding for capital works, leading to 1.4m of investment in the capital infrastructure of Manshead CE Academy.

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 Diocese of St Albans Multi-Academy Trust for the period 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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 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 Operations 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.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, during the year the Trustees have appointed Rachel Palmer, the Trust Administrative & Finance Officer, to carry out a programme of internal checks and processes.

The internal reviewer's role includes giving advice on financial matters and performing a range of checks in the Academies of the Trust on their financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of Single Central Record
- testing of tender documentation
- testing of income

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

On a termly basis, Rachel Palmer, the internal reviewer will report to the Board of Trustees, through the Finance & Operations Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

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 external auditors;
- 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 Finance & Operations committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 12 December 2019 and signed on their behalf by:


.....
Paul Dickens
Chair of Trustees


.....
Carole Bennett
Accounting Officer

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Diocese of St Albans 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 other than those detailed below. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.

Matter one - Internal scrutiny

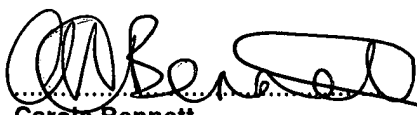
During the year the academy failed document its compliance with section 2.9.4 of the Academies Financial Handbook, in respect of the checking of its financial systems, controls, transactions and risks. Some internal checks were conducted during the period, but the programme of work and the findings of the checks have not been documented. As such, there was no formal system in place to agree a programme of work to provide assurance on financial controls and risks, and no such work was documented in the year. There were no internal scrutiny reports and relevant information was not available to the Trustees on a timely basis to enable effective management of the academy.

It should be noted that from 1 September 2019 the academy has implemented a formal internal scrutiny programme and is in a position to provide the Trustees with relevant internal scrutiny reports.

Matter two - Borrowing

During the year the academy took out leases on certain playground and other equipment. These leases had several indicators of being operating leases, and the issue was not notified to the Trustees in advance of the lease agreements being finalised. On further consideration of the academy, these leases are now considered to be finance leases. The academy therefore failed to comply with section 3.6.2 and 3.8.1 of the Academies Financial Handbook, in respect of entering into finance leases without prior ESFA approval.

The academies are in the process of requesting ESFA approval.



Carole Bennett
Accounting Officer

Date: 12/12/19

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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

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


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

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

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

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

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


.....
Paul Dickens
Chair of Trustees
Date: 12 December 2019

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of Diocese of St Albans 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.

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DIOCESE OF ST ALBANS 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, Trustees Report, incorporating the Strategic Report and the Directors Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Trustees Responsibilities 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 (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DIOCESE OF ST ALBANS 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.

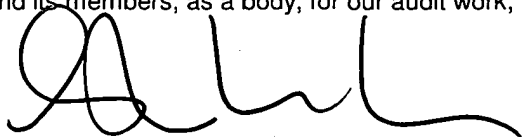
Auditors' responsibilities for the audit of the financial statements

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.



Elaine Olson-Williams FCCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants

Statutory Auditors

Peterbridge House

The Lakes

Northampton

NN4 7HB

Date:

18 December 2019

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 30 March 2017 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 Diocese of St Albans 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 Diocese of St Albans 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 Diocese of St Albans 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 Diocese of St Albans Multi-Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Diocese of St Albans Multi-Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Diocese of St Albans Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 24 February 2017 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.

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

The work undertaken to draw to our conclusion includes:

- reviewing the Minutes of the meetings of the Governing Body 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;
- consideration of governance issues; and
- evaluating the internal control procedures and reporting lines, testing as appropriate and making appropriate enquiries of the Accounting Officer.

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.

Matter one - Internal scrutiny

During the year the academy failed document its compliance with section 2.9.4 of the Academies Financial Handbook, in respect of the checking of its financial systems, controls, transactions and risks. Some internal checks were conducted during the period, but the programme of work and the findings of the checks have not been documented. As such, there was no formal system in place to agree a programme of work to provide assurance on financial controls and risks, and no such work was documented in the year. There were no internal scrutiny reports and relevant information was not available to the Trustees on a timely basis to enable effective management of the academy.

It should be noted that from 1 September 2019 the academy has implemented a formal internal scrutiny programme and is in a position to provide the Trustees with relevant internal scrutiny reports.

Matter two - Borrowing

During the year the academy took out leases on certain playground and other equipment. These leases had several indicators of being operating leases, and the issue was not notified to the Trustees in advance of the lease agreements being finalised. On further consideration of the academy, these leases are now considered to be finance leases. The academy therefore failed to comply with section 3.6.2 and 3.8.1 of the Academies Financial Handbook, in respect of entering into finance leases without prior ESFA approval.

The academy is in the process of requesting ESFA approval.



MHA MacIntyre Hudson
Peterbridge House
Chartered Accountants
Statutory Auditors
The Lakes
Northampton
NN4 7HB

Date: 18 December 2019

DIOCESE OF ST ALBANS 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					
Asset funds inherited on conversion		52,347	-	-	52,347	64,839
Fixed asset funds inherited on conversion		-	-	-	-	4,176,000
Pension deficit inherited on conversion		-	(252,000)	-	(252,000)	(345,000)
Other donations and capital grants		94,993	7,780	1,308,196	1,410,969	299,841
Charitable activities	4	-	10,473,683	-	10,473,683	11,106,994
Other trading activities	5	365,178	236,649	-	601,827	553,351
Investments	6	1,626	-	-	1,626	3,052
Total income		514,144	10,466,112	1,308,196	12,288,452	15,859,077
Expenditure on:						
Raising funds		356,918	-	31,704	388,622	493,068
Charitable activities		-	11,722,922	185,286	11,908,208	11,947,269
Total expenditure	7	356,918	11,722,922	216,990	12,296,830	12,440,337
Net income/ (expenditure)		157,226	(1,256,810)	1,091,206	(8,378)	3,418,740
Transfers between funds	16	(594,245)	375,353	218,892	-	-
Net movement in funds before other recognised gains/(losses) carried forward		(437,019)	(881,457)	1,310,098	(8,378)	3,418,740

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
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 £
Net movement in funds before other recognised (losses)/gains brought forward		(437,019)	(881,457)	1,310,098	(8,378)	3,418,740
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(950,000)	-	(950,000)	519,000
Net movement in funds	16	(437,019)	(1,831,457)	1,310,098	(958,378)	3,937,740
Reconciliation of funds:						
Total funds brought forward		1,143,116	(4,566,648)	4,680,748	1,257,216	(2,680,524)
Net movement in funds		(437,019)	(1,831,457)	1,310,098	(958,378)	3,937,740
Total funds carried forward	16	706,097	(6,398,105)	5,990,846	298,838	1,257,216

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

The notes on pages 35 to 63 form part of these financial statements.

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 10449374

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	5,709,468	4,615,677
Current assets			
Debtors	14	1,449,302	562,932
Cash at bank and in hand		933,807	1,987,932
		<u>2,383,109</u>	<u>2,550,864</u>
Creditors: amounts falling due within one year	15	(1,328,739)	(1,029,325)
Net current assets		<u>1,054,370</u>	<u>1,521,539</u>
Total assets less current liabilities		<u>6,763,838</u>	<u>6,137,216</u>
Defined benefit pension scheme liability	23	(6,465,000)	(4,880,000)
Total net assets		<u><u>298,838</u></u>	<u><u>1,257,216</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	16	5,990,846	4,680,748
Restricted income funds	16	66,895	313,352
		<u>6,057,741</u>	<u>4,994,100</u>
Restricted funds excluding pension liability	16	6,057,741	4,994,100
Pension reserve	16	(6,465,000)	(4,880,000)
Total restricted funds	16	<u>(407,259)</u>	<u>114,100</u>
Unrestricted income funds	16	<u>706,097</u>	<u>1,143,116</u>
Total funds		<u><u>298,838</u></u>	<u><u>1,257,216</u></u>

The financial statements on pages 31 to 63 were approved by the Trustees, and authorised for issue on 12 December 2019 and are signed on their behalf, by:


Paul Dickens

Chair of Trustees

Date: 12 December 2019

The notes on pages 35 to 63 form part of these financial statements.

DIOCESE OF ST ALBANS 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 operating activities	18	(1,154,662)	(463,476)
Cash flows from investing activities	19	100,537	(73,644)
Change in cash and cash equivalents in the year		(1,054,125)	(537,120)
Cash and cash equivalents at the beginning of the year		1,987,932	2,525,052
Cash and cash equivalents at the end of the year	20	933,807	1,987,932

The notes on pages 35 to 63 form part of these financial statements

DIOCESE OF ST ALBANS 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.

Diocese of St Albans Multi-Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Income

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

• **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.

DIOCESE OF ST ALBANS 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 Income (continued)

- **Sponsorship income**

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

- **Donations**

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

- **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.

- **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

1.4 Expenditure

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

- **Expenditure on raising funds**

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **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.

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.5 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.6 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Leasehold property	- Over the life of the lease
Leasehold and license to occupy improvements	- 10% straight line
Furniture and equipment	- 20% straight line
Computer equipment	- 33.33% 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 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.

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.8 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.

1.9 Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.10 Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. 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.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. 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.

1.12 Pensions

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

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.12 Pensions (continued)

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

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

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

1.13 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.

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

2. Critical accounting estimates and areas of judgment (continued)

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 23, 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.

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Asset funds inherited on conversion	52,347	-	-	52,347	64,839
Fixed asset funds inherited on conversion	-	-	-	-	4,176,000
Pension deficit inherited on conversion	-	(252,000)	-	(252,000)	(345,000)
	<u>52,347</u>	<u>(252,000)</u>	<u>-</u>	<u>(199,653)</u>	<u>3,895,839</u>
Donations	94,993	7,780	-	102,773	251,382
Capital Grants	-	-	1,308,196	1,308,196	48,459
Subtotal	<u>94,993</u>	<u>7,780</u>	<u>1,308,196</u>	<u>1,410,969</u>	<u>299,841</u>
	<u>147,340</u>	<u>(244,220)</u>	<u>1,308,196</u>	<u>1,211,316</u>	<u>4,195,680</u>
Total 2018	<u>135,474</u>	<u>(164,253)</u>	<u>4,224,459</u>	<u>4,195,680</u>	

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

4. Funding for the Academy Trust's educational operations

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants			
General annual grant (GAG)	8,902,400	8,902,400	8,957,085
Pupil premium	435,044	435,044	435,040
CIF Bid	-	-	786,123
	<u>9,337,444</u>	<u>9,337,444</u>	<u>10,178,248</u>
Other government grants			
Special educational needs	323,588	323,588	322,867
Other government grants	810,121	810,121	605,489
	<u>1,133,709</u>	<u>1,133,709</u>	<u>928,356</u>
Other funding			
Other income	2,530	2,530	390
	<u>2,530</u>	<u>2,530</u>	<u>390</u>
	<u><u>10,473,683</u></u>	<u><u>10,473,683</u></u>	<u><u>11,106,994</u></u>

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

5. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Catering income	238,580	36,299	274,879	339,941
Lettings income	31,931	-	31,931	33,850
Uniforms income	1,984	120	2,104	766
Trips income	73,148	22,770	95,918	81,846
Other income - self generated	19,535	177,460	196,995	96,948
	<u>365,178</u>	<u>236,649</u>	<u>601,827</u>	<u>553,351</u>
Total 2018	<u>399,454</u>	<u>153,897</u>	<u>553,351</u>	

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	<u>1,626</u>	<u>1,626</u>	<u>3,052</u>

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Expenditure on raising voluntary income:					
Direct costs	1,801	-	9,283	11,084	48,646
Expenditure on fundraising trading activities:					
Direct costs	106,764	-	270,774	377,538	444,422
Educational operations:					
Direct costs	7,581,309	-	268,255	7,849,564	8,157,923
Allocated support costs	1,899,062	742,328	1,417,254	4,058,644	3,789,346
	<u>9,588,936</u>	<u>742,328</u>	<u>1,965,566</u>	<u>12,296,830</u>	<u>12,440,337</u>
Total 2018	<u>8,965,228</u>	<u>629,814</u>	<u>2,845,295</u>	<u>12,440,337</u>	

Net expenditure for the year includes:

	2019 £	2018 £
Depreciation	167,841	137,466
Fees payable to the auditor for audit	34,480	22,450
Fees payable to the auditor for non-audit	3,090	-

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Educational operations	7,849,564	4,058,644	11,908,208	11,947,269
Total 2018	8,157,923	3,789,346	11,947,269	

Analysis of support costs

	Educational operations 2019 £	Total funds 2019 £	Total funds 2018 £
LGPS pension costs	138,000	138,000	125,000
Staff costs	1,899,062	1,899,062	1,725,429
Depreciation	167,841	167,841	137,466
Technology costs	270,634	270,634	176,762
Premises costs	574,487	574,487	492,348
Governance costs	37,570	37,570	37,210
Other support costs	971,050	971,050	1,095,131
	4,058,644	4,058,644	3,789,346

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

9. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	6,997,279	6,409,995
Social security costs	644,932	613,282
Pension costs	1,475,206	1,387,760
	<u>9,117,417</u>	<u>8,411,037</u>
Agency staff costs	471,519	554,191
	<u>9,588,936</u>	<u>8,965,228</u>

b. Staff numbers

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

	2019 No.	2018 No.
Teaching	111	106
Administration	56	59
Support	134	130
Management	18	17
	<u>319</u>	<u>312</u>

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	3
In the band £70,001 - £80,000	2	1
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
	<u>1</u>	<u>-</u>

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9. Staff costs (continued)

c. Higher paid staff (continued)

The above employees participated in the Teachers' Pension Scheme and Local Government Pension Scheme. During the year ended 31 August 2019, pension contributions for these staff amounted to £61,531 (2018 - £66,364).

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was: £174,640 (2018 - £116,448)

10. Central services

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

- human resources
- financial services
- legal services
- educational support services
- others as arising

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

A 5% topslice / head office recharge for all ESFA income has been received from the following schools within the MAT;

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Churchfield CE Academy	59,057	60,144
Thomas Whitehead CE Academy	52,065	49,644
Manshead CE Academy	263,971	290,643
Caldecote CE Academy	15,876	19,628
Kensworth CE Academy	18,512	17,641
Totternhoe CE Academy	20,525	10,434
Roxton CE Academy	14,236	-
Total	444,242	448,134

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11. Trustees' remuneration and expenses

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

		2019 £	2018 £
Carole Bennett	Remuneration	35,000 - 40,000	N/A
	Pension contributions paid	5,000 - 10,000	N/A
David Morton	Remuneration	N/A	N/A

During the year ended 31 August 2019, expenses totalling £614 were reimbursed or paid directly to 2 Trustees (2018 - £NIL)

The Academy Trust has staff trustees. Carole Bennett, appointed 4 March 2019 received remuneration from the trust. David Morton (CEO) is employed by Diocese of St Albans, and his salary is recharged as disclosed in note 25.

12. Trustees' and Officers' insurance

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

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13. Tangible fixed assets

	Leasehold property £	Assets under construction £	Leasehold and license to occupy improvements £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2018	4,176,000	-	331,855	-	283,621	4,791,476
Additions	-	743,109	397,751	57,116	63,656	1,261,632
At 31 August 2019	4,176,000	743,109	729,606	57,116	347,277	6,053,108
Depreciation						
At 1 September 2018	31,795	-	857	-	143,147	175,799
Charge for the year	33,408	-	39,269	3,973	91,191	167,841
At 31 August 2019	65,203	-	40,126	3,973	234,338	343,640
Net book value						
At 31 August 2019	4,110,797	743,109	689,480	53,143	112,939	5,709,468
At 31 August 2018	4,144,205	-	330,998	-	140,474	4,615,677

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13. Tangible fixed assets (continued)

Licence to occupy

The Board of Finance of the Diocese of St Albans and Ashton Schools Foundation re: Manshead, own the freehold interest in the buildings and some open land both of which are occupied by the respective academies on a rent free licence to occupy. This continuing permission of their Trustees is pursuant to, and subject to, the Trustees' charitable objects, and is part of the Church of England's contribution to provide State funded education in partnership with the State and detailed in a supplemental agreement with each academy. The licence delegates aspects of the management of the land (and buildings) to the Academy Trust company for the time being, but does not vest any rights over the land in the Academy Trust company, the terms of which have been agreed between the Secretary of State and the Board of Finance of The Diocese of St Albans and Ashton Schools Foundation. This agreement can be revoked at any time and included in the agreement is a termination clause with the Board of Finance of The Diocese of St Albans giving two years notice. The Trustees have concluded that the land and buildings should not be recognised as an asset of the Academy Trust as the Academy Trust does not control the asset.

The financial statements do not reflect any notional rental expense for the donated use of the land and buildings as the trustees have concluded that no reliable figure can be measured for this donation as there are no rental premises for academy operations which are considered to be comparable and reliably measured.

Condition Improvement Fund

During the period, 4 Academies had ongoing capital works funded by the Condition Improvement Fund of which have been capitalised under the category of Assets Under Construction.

14. Debtors

	2019 £	2018 £
Trade debtors	117,458	107,786
Other debtors	347,800	140,359
Prepayments and accrued income	984,044	314,787
	<u>1,449,302</u>	<u>562,932</u>

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15. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	713,898	9,226
Other creditors	177,374	168,995
Accruals and deferred income	437,467	851,104
	<u>1,328,739</u>	<u>1,029,325</u>
	2019 £	2018 £
Deferred income at 1 September 2018	104,607	54,246
Resources deferred during the year	115,870	104,607
Amounts released from previous periods	(104,607)	(54,246)
	<u>115,870</u>	<u>104,607</u>

At the Balance Sheet date the Academy Trust was holding funds received in advance in respect of UIFSM from ESFA.

16. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds - all funds	<u>1,143,116</u>	<u>514,144</u>	<u>(356,918)</u>	<u>(594,245)</u>	<u>-</u>	<u>706,097</u>

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16. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Restricted general funds						
Charitable start up grant	5,549	-	(5,549)	-	-	-
General Annual Grant (GAG)	483,583	8,902,400	(9,229,759)	(156,224)	-	-
Pupil Premium	80,019	435,044	(456,068)	(40,694)	-	18,301
Other ESFA Income	41,943	377,421	(361,562)	(18,877)	-	38,925
GUTP / teacher recharges	5,372	-	(5,372)	-	-	-
Other government grants	122,575	43,256	(164,450)	(1,381)	-	-
Other income	(433,214)	246,958	(441,588)	627,844	-	-
CIF Bid	6,237	-	-	(6,237)	-	-
Other LA income	1,288	713,033	(675,574)	(29,078)	-	9,669
Pension reserve	(4,880,000)	(252,000)	(383,000)	-	(950,000)	(6,465,000)
	<u>(4,566,648)</u>	<u>10,466,112</u>	<u>(11,722,922)</u>	<u>375,353</u>	<u>(950,000)</u>	<u>(6,398,105)</u>
Restricted fixed asset funds						
DfE capital grants - unspent	65,072	1,308,196	(49,148)	(1,042,741)	-	281,379
Assets inherited on conversion	4,327,339	-	(62,286)	-	-	4,265,053
Other capital expenditure	288,337	-	(105,556)	1,261,633	-	1,444,414
	<u>4,680,748</u>	<u>1,308,196</u>	<u>(216,990)</u>	<u>218,892</u>	<u>-</u>	<u>5,990,846</u>
Total Restricted funds	<u>114,100</u>	<u>11,774,308</u>	<u>(11,939,912)</u>	<u>594,245</u>	<u>(950,000)</u>	<u>(407,259)</u>
Total funds	<u>1,257,216</u>	<u>12,288,452</u>	<u>(12,296,830)</u>	<u>-</u>	<u>(950,000)</u>	<u>298,838</u>

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16. Statement of funds (continued)

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

The transfer between the restricted General Annual Grant fund and restricted fixed asset funds represents amounts capitalised during the period.

Restricted general funds will be used for educational purposes in line with Academy Trust's objects and its funding agreement with the ESFA.

Restricted fixed assets funds amounting to £5,709,468 will be reserved against future depreciation charges. The remaining £281,378 relates to unspent capital grants which will be used to enhance the Academy Trust facilities.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Churchfield CE Academy	160,244	279,941
Thomas Whitehead CE Academy	4,095	(16,897)
Manshead CE Academy	(5,309)	1,144,677
Caldecote CE Academy	(35,839)	(21,624)
Kensworth CE Academy	(9,788)	(20,933)
Totternhoe CE Academy	(75,378)	28,638
Roxton CE Academy	14,876	-
Central Services	720,091	62,666
Total before fixed asset funds and pension reserve	772,992	1,456,468
Restricted fixed asset fund	5,990,846	4,680,748
Pension reserve	(6,465,000)	(4,880,000)
Total	298,838	1,257,216

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit £
Manshead CE Academy	(5,309)
Caldecote CE Academy	(35,839)
Kensworth CE Academy	(9,788)
Totternhoe CE Academy	(75,378)

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16. Statement of funds (continued)

The reason for the above net deficits is due to a high underlying cost base, a reduction in pupil numbers, and high staff costs reflecting the numbers of experienced staff members.

The Academy Trust is taking the following action to return the academies to surplus:

The Trust is in the process of executing a recovery plan to manage costs down to a sustainable level.

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 £
Churchfield CE Academy	957,199	105,219	54,859	416,357	1,533,634	1,536,011
Thomas Whitehead CE Academy	962,486	233,613	18,983	290,486	1,505,568	1,692,900
Manshead CE Academy	3,596,698	649,430	189,837	1,906,194	6,342,159	6,925,889
Caldecote CE Academy	271,540	17,872	17,873	98,482	405,767	474,691
Kensworth CE Academy	253,876	81,928	30,228	139,623	505,655	529,762
Totternhoe CE Academy	337,202	141,038	18,362	160,160	656,762	362,751
Roxton CE Academy	243,995	45,242	12,949	108,753	410,939	-
Central Services	123,307	-	113,996	531,202	768,505	775,146
Academy Trust	6,746,303	1,274,342	457,087	3,651,257	12,128,989	12,297,150

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16. 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 - all funds	1,098,204	537,980	(493,068)	-	-	1,143,116
Restricted general funds						
Charitable start up grant	5,549	-	-	-	-	5,549
General Annual Grant (GAG)	27,374	8,957,094	(8,490,085)	(10,800)	-	483,583
Pupil Premium	63,350	435,040	(418,371)	-	-	80,019
Other ESFA Income	36,204	223,457	(217,718)	-	-	41,943
GUTP / teacher recharges	5,372	-	-	-	-	5,372
Other government grants	86,653	213,079	(140,157)	(37,000)	-	122,575
Other income	206,426	193,431	(833,071)	-	-	(433,214)
CIF Bid	-	786,123	(779,886)	-	-	6,237
Other LA income	-	491,820	(490,532)	-	-	1,288
Pension reserve	(4,641,000)	(345,000)	(413,000)	-	519,000	(4,880,000)
	<u>(4,210,072)</u>	<u>10,955,044</u>	<u>(11,782,820)</u>	<u>(47,800)</u>	<u>519,000</u>	<u>(4,566,648)</u>

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16. Statement of funds (continued)

	£	£	£	£	£	Balance at 31 August 2018 £
Restricted fixed asset funds						
DfE capital grants - unspent	43,596	48,459	(26,983)	-	-	65,072
Assets inherited on conversion	95,471	4,317,594	(85,726)	-	-	4,327,339
Other capital expenditure	292,277	-	(51,740)	47,800	-	288,337
	<u>431,344</u>	<u>4,366,053</u>	<u>(164,449)</u>	<u>47,800</u>	<u>-</u>	<u>4,680,748</u>
Total Restricted funds	<u>(3,778,728)</u>	<u>15,321,097</u>	<u>(11,947,269)</u>	<u>-</u>	<u>519,000</u>	<u>114,100</u>
Total funds	<u>(2,680,524)</u>	<u>15,859,077</u>	<u>(12,440,337)</u>	<u>-</u>	<u>519,000</u>	<u>1,257,216</u>

17. 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	-	-	5,709,468	5,709,468
Current assets	706,097	1,395,634	281,378	2,383,109
Creditors due within one year	-	(1,328,739)	-	(1,328,739)
Provisions for liabilities and charges	-	(6,465,000)	-	(6,465,000)
Total	<u>706,097</u>	<u>(6,398,105)</u>	<u>5,990,846</u>	<u>298,838</u>

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17. Analysis of net assets between funds (continued)

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	-	-	4,615,677	4,615,677
Current assets	1,143,116	1,342,677	65,071	2,550,864
Creditors due within one year	-	(1,029,325)	-	(1,029,325)
Provisions for liabilities and charges	-	(4,880,000)	-	(4,880,000)
Total	1,143,116	(4,566,648)	4,680,748	1,257,216

18. 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)	(8,378)	3,418,740
Adjustments for:		
Depreciation	167,841	137,466
Capital grants from DfE group and Ashton Foundation	(1,308,196)	(47,859)
Dividends, interest and rents from investments	(1,626)	(3,052)
Defined benefit pension scheme obligation inherited	252,000	345,000
Defined benefit pension scheme cost less contributions payable	245,000	288,000
Defined benefit pension scheme finance cost	138,000	125,000
Decrease in stocks	-	4,875
Increase in debtors	(886,370)	(301,908)
Increase/(decrease) in creditors	299,414	(188,899)
Fixed asset transfer inherited on conversion	-	(4,176,000)
Cash transferred on conversion to an academy trust	(52,347)	(64,839)
Net cash used in operating activities	(1,154,662)	(463,476)

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19. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	1,626	3,052
Purchase of tangible fixed assets	(1,261,632)	(189,394)
Capital grants from DfE Group and Ashton Foundation	1,308,196	47,859
Cash transferred on conversion	52,347	64,839
Net cash provided by/(used in) investing activities	100,537	(73,644)

20. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	933,807	1,987,932
Total cash and cash equivalents	933,807	1,987,932

21. Conversion to an academy trust

On 1 December 2018 Roxton CE Academy converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Diocese of St Albans Multi-Academy Trust from Central Bedfordshire Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £	Restricted funds £	Total funds £
Cash	52,347	-	52,347
LGPS pension surplus/(deficit)	-	(252,000)	(252,000)
Total	52,347	(252,000)	(199,653)

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22. Contingent asset

During the year the trustees of Diocese of St Albans Multi-Academy Trust were informed by Ashton Schools Foundation of an allocation of funds of up to £1.4 million for Manshead academy following the sale of Ashton Middle School.

£194,106 has been recognised as income in the financial statements of the Academy to 31 August 2019, being a project agreed in the year for funding by Ashton Schools Foundation. There remains a potential fund of £1.2 million to claim in future periods on relevant projects. This funding remains conditional and subject to prior approval by the Ashton Schools Foundation.

23. 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 Hertfordshire County Council and Central Bedfordshire 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.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teacher's Pension budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return. Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

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23. Pension commitments (continued)

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

Scheme Changes

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

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

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

The employer's pension costs paid to TPS in the year amounted to £680,156 (2018 - £609,914).

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.

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 £677,000 (2018 - £604,000), of which employer's contributions totalled £546,000 (2018 - £486,000) and employees' contributions totalled £ 131,000 (2018 - £118,000). The agreed contribution rates for future years are 21.8 per cent for employers and 5.5 to 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.

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NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

Principal actuarial assumptions

	2019 %	2018 %
Discount rate for scheme liabilities	1.90	2.80
Expected return on scheme assets at 31 August	1.90	2.80
Rate of increase in salaries	2.50	2.60
Rate of increase for pensions in payment/inflation	2.20	2.30

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	20.7	22.4
Females	23.2	24.6
<i>Retiring in 20 years</i>		
Males	21.7	24.0
Females	24.7	26.3

Sensitivity analysis

	2019 £	2018 £
0.5% decrease in Real Discount Rate	143,000	769,000
0.5% increase in the Salary Discount Rate	20,000	107,000
0.5% increase in the Pension Increase Rate	119,000	655,000
Discount rate +0.1%	163,000	-
Discount rate -0.1%	(167,000)	-
Mortality assumption - 1 year increase	(25,000)	-
Mortality assumption - 1 year decrease	24,000	-
CPI rate +0.1%	(142,000)	-
CPI rate -0.1%	138,000	-

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23. Pension commitments (continued)

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

	2019 £	2018 £
Equities	1,456,000	724,000
Corporate bonds	312,000	294,000
Property	208,000	111,000
Cash and other liquid assets	104,000	165,000
Total market value of assets	2,080,000	1,294,000

The actual return on scheme assets was £77,000 (2018 - £48,000).

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

	2019 £	2018 £
Current service cost	753,000	774,000
Past service cost	38,000	(40,000)
Interest income	45,000	23,000
Interest cost	(183,000)	(148,000)
Total amount recognised in the Statement of Financial Activities	653,000	609,000

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

	2019 £	2018 £
At 1 September	6,174,000	5,267,000
Conversion of academy trusts	257,000	361,000
Interest cost	183,000	148,000
Employee contributions	131,000	118,000
Actuarial losses/(gains)	982,000	(494,000)
Benefits paid	32,000	-
Past service costs	38,000	-
Current service cost	753,000	774,000
At 31 August	8,550,000	6,174,000

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23. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	1,294,000	626,000
Upon conversion	5,000	16,000
Interest income	45,000	23,000
Actuarial gains	32,000	25,000
Employer contributions	546,000	486,000
Employee contributions	131,000	118,000
Benefits paid	32,000	-
At 31 August	2,085,000	1,294,000

24. 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 £
Not later than 1 year	10,013	807
Later than 1 year and not later than 5 years	2,629	7,167
	12,642	7,974

25. Members' liability

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

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26. 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 trustee 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.

The Diocese of St Albans have recharged the cost of the CEO's salary, and the Chief Education Officer's Salary to the Diocese of St Albans Multi Academy Trust which totalled £64,061 (2018 - £23,090) for the period. Other expenses recharged during the period totalled £Nil (2018 - £9,901).