

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 2018



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

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 12
Governance Statement	13 - 17
Statement on Regularity, Propriety and Compliance	18
Statement of Trustees' Responsibilities	19
Independent Auditors' Report on the Financial Statements	20 - 22
Independent Reporting Accountant's Assurance Report on Regularity	23 - 24
Statement of Financial Activities Incorporating Income and Expenditure Account	25
Balance Sheet	26
Statement of Cash Flows	27
Notes to the Financial Statements	28 - 51

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2018

Members

Lee Coley
Paul Dickens
Norman Hoare
The Ven Janet Mackenzie
Andrew Wellbeloved
Shirley Whales

Trustees

Paul Dickens, Chair of Trustees
The Rt Rev'd Richard Atkinson, Vice Chair
Lindsay Fraser, Trustee
Robin Humber, Trustee
Bill Morris, Trustee (resigned 6 May 2018)
David Morton, Trustee
Tony Williams, Trustee
Natalie Dalvarez, Trustee (appointed 10 January 2018)

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
AL1 1HE

Company secretary

David Morton

Chief executive officer

David Morton

Senior management team

David Morton, Chief Executive Officer - resigned 01/09/2018
Paula Burgess, Chief Operating Officer
Charlotte Johnson, Chief Education Officer & Interim Chief Executive Officer - appointed 01/09/2018

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

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

Advisers (continued)

Independent auditors

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

Bankers

Barclays Bank PLC
Leicester
Leicestershire
LE87 2BB

Solicitors

Lee Bolton Monier Williams
1 Sanctuary
Westminster
London
SW1P 3JT

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust operates 6 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 and a small part of Buckinghamshire County Council and the London Borough of Barnet). It has a combined pupil capacity of 2,185 and had a combined roll of 1,853 in the school census in January 2018.

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 (DSAMAT) 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 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 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 AND PROCEDURES 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.

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

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

ORGANISATIONAL STRUCTURE

As a Multi Academy Trust and company limited by guarantee, Diocese of St Albans Multi-Academy Trust is governed by a Board of Trustees who are 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 and Totternhoe CE Academy.

The management structure consists of four levels: The Board of Trustees, Regional Advisory Executive Boards (RAEB), the Chief Executive Officer and the 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 decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The Trustees appoint people for the Regional Advisory Executive Board (RAEB) 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 RAEB 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 academy for transition to governance by an Academy Council or Regional Hub Board;
- 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 academies and report to the Board of Trustees through the Chief Executive Officer;
- Contribute to each academy'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 Chief Education Officer, and financial management and operational issues to the Trust Chief Operating 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.

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 Head teachers is based on recommendations by the CEO, Chief Education Officer and Chair of the RAEB, 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. Head teachers 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.

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

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

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

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

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

- Equal Opportunities Policy
- Volunteers' Policy
- Health & Safety Policy

In accordance with the Academy Trust's Equal Opportunities Policy, the Academy Trust has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

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

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.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

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 five of the Trust Academies are Church of England Academies within the Diocese of St Albans. The Interim part-time Chief Executive Officer of the Trust is also the Director of Education of the Diocese of St Albans and the Trust's Interim part-time Chief Education Officer is also the Deputy Director of Education of 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.

Objectives and Activities

OBJECTS AND AIMS

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

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

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

(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.

OBJECTIVES, STRATEGIES AND ACTIVITIES

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.

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 two regional Academy executive boards, one covering Bedfordshire and the other Hertfordshire. As the Trust grows, these hubs will transition into regional hubs (East, West, North and South) and start to develop their own regional services overseen by the Trust Board who will retain responsibility for monitoring and evaluating financial performance and school effectiveness. It is anticipated that after 10 years the Trust will contain no more than 20-30 schools. 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.

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

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

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 6 Academies educating in excess of 2,300 pupils. Senior staff have been appointed including a part-time interim Chief Executive Officer, part-time interim Chief Education Officer and a full time Chief Operating Officer. The Trust has established a central school improvement team, a central finance and operations team and commenced work on creating a service delivery team to support the delivery of IT, data handling in April 2018 and additional financial management services. In establishing its work 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 Academy Executive 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 Totternhoe CE Academy on 1 February 2018;
- Successful application to the DfE for Totternhoe CE Academy to convert to Primary Status and adopt a religious designation as a CE Academy (May 2018).

Governance

- Appointment and induction of local academy councils at Manshead CE Academy and Totternhoe Academy (June-July 2018);
- Appointment of a new board member to the Trust Board;
- Identification of prospective hub board members for the 2018-19 academic year.

Operational

- The creation of a centralised ICT function with team members based at Manshead CE Academy;
- Implementation of centralised Trust policies including pay and performance, safeguarding, health and safety, admissions, data protection and risk management planning.

School Effectiveness

- The appointment of a new substantive Head teacher, with a track record in school improvement, at Manshead CE Academy;
- The creation of a shared senior leadership role at Totternhoe and Kensworth CE Academies;
- The appointment of six leading practitioners, drawn from across diocesan schools, to further improve provision from 1 September 2018;
- The rapid improvement of Churchfield CE Academy, the first academy to enter the Trust on February 1st 2017.

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.

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

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

Strategic report**Achievements and performance**

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

GLD	2016	2017 MAT outcome: 70%	2018 MAT outcome: 67%
Totternhoe	81%	88%	84%
Kensworth	77%	54%	64%
Thomas Whitehead	63%	69%	58%
Caldecote	68%	87.5%	62%
Churchfield	76%	71%	69%

Year 1 Phonics	2016	2017 MAT outcome: 89%	2018 MAT outcome: 81%
Totternhoe	100%	94%	94%
Kensworth	73%	83%	82%
Thomas Whitehead	82%	91%	76%
Caldecote	67%	84%	77%
Churchfield	86%	87%	81%

Key Stage 1	2016	2017 MAT outcome: R 76% W 64% M 75% Comb 62%	2018 MAT outcome: R 73% W 64% M 77% Comb 62%
Totternhoe		R 88% W 82% M 77%	R 81% W 56% M 81%
Kensworth	R 75% W 75% M 67% C 67%	R 67% W 44% M 89%	R 77% W 77% M 85%
Thomas Whitehead	R 71% W 55% M 71% C 53%	R 76% W 59% M 71%	R 59% W 42% M 68%
Caldecote	R 86% W 64% M 14% C 14%	R 63% W 56% M 75%	R 73% W 73% M 73%
Churchfield	R 84% W 77% M 79% C 74%	R 73% W 63% M 71%	R 79% W 77% M 84%

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

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

Key Stage 2	2016	2017 MAT outcome: R 63% W 64% M 75% Comb 52%	2018 MAT outcome: R 64% W 76% M 73% Comb 56%
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%
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%
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%

Key Stage 4	Outcomes Y11	2016 -17	2017 - 18
Basics E&M (9-5): All	163 Students (RP3 = 162)	40.0%	26.0%
Basics E&M (9-4): All	163 Students (RP3 = 162)	63.0%	52.0%
Ebacc (9-5): All	163 Students (RP3 = 162)	13.0%	6.8%
Attainment 8	163 Students (RP3 = 162)	47.23%	39.95%
Progress 8: All	163 Students (RP3 = 162)	0.02%	-0.42%

There has been a significant impact in the attendance of pupils across the Multi Academy Trust. The attendance at the Secondary Academy has increased from 92.1 % to 94.1% and persistent absence has decreased from 17.2% to 13.9%. In the Primary Academies attendance has improved from 94.9% to 95.2%.

KEY PERFORMANCE INDICATORS

Finance performance is monitored against budgets set and approved by the Trust Board. Basic benchmarking is undertaken as part of the due diligence process prior to admittance 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

After making appropriate enquiries, 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.

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

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

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 2018 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 2018 comprise of the activities of Churchfield CE Academy (from 1 March 2017), Thomas Whitehead CE Academy (from 1 April 2017), Manshead CE Academy (1 May 2017), Caldecote CE Academy (from 1 July 2017), Kensworth CE Academy (from 1 August 2017) and Totternhoe CE Academy (from 1 February 2018).

During the year ended 31 August 2018, total expenditure (excluding depreciation) of £12,440,337 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 £713,482.

At 31 August 2018 the net book value of fixed assets was £4,615,677. 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.

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 2018 the total funds comprised:

Unrestricted		1,143,116
Restricted:	Fixed asset funds	4,680,748
	Pension reserve	(4,880,000)
	Other	<u>313,352</u>
		<u>1,257,216</u>

INVESTMENTS POLICY

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

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

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 RAEB members;
- further recruitment of effective trustees;
- change of senior leaders;
- the recruitment of good to outstanding teachers;
- uncertainty regarding future government fund streams;
- the Trust's obligation to fund any deficit allocated to its share of the Local Government Pension Fund.

Fundraising

During 2017/18 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.

FUTURE DEVELOPMENTS

The Trust is, over the next 12 months, planning to appoint a full time, permanent Chief Executive Officer, expand the number of leading practitioners appointed by the Trust, continue its work to improve accountability by centralising key management information and data collection tools and 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 Trust Directors and Hub Board members.

The Trust aims to recruit a further five schools over the next 36 months that are currently graded as Requiring Improvement, Good or Outstanding. It expects that its existing ungraded schools will be graded as good within 36 months of admittance to the Trust.

FUNDS HELD AS CUSTODIAN

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

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

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

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 13 December 2018 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

As Trustees, we acknowledge we have 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 information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Paul Dickens, Chair of Trustees	6	6
The Rt Rev'd Richard Atkinson, Vice Chair	5	6
Lindsay Fraser, Trustee	6	6
Robin Humber, Trustee	6	6
Bill Morris, Trustee	3	4
David Morton, Trustee	6	6
Tony Williams, Trustee	5	6
Natalie Dalvarez, Trustee	3	4

Governance Review

During 2017/18 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 employed an external governance specialist, a National Leader of Governance, to support existing Trust governance and to work with the Chief Executive Officer and Chief Education Officer to propose amendments to existing governance arrangements.

Through the work of the Trust Governance Adviser, Chief Education Officer and Chief Executive Officer, the Trust was able to achieve the following milestones.

Key milestones:

- Analyse the strengths and weaknesses of the temporary Regional Academy Executive Boards;
- Propose the formation of two new regional hub boards to replace the RAEBs;
- Recruit new Hub Board members following a skills audit process;
- Train and establish two regional hub boards ready for the commencement of the 2018-19 academic year.
- Support and enhance the governance of existing Trust Regional Academy Executive Boards through the provision of clerking services and professional advice;
- Support the governance of the Trust in exercising its statutory duty in respect of complaints; and
- Embed existing good governance practice.

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

- Support the appointment of a new board member to the Trust Board;
 - Identify prospective hub board members for the 2018-19 academic year;
 - Facilitate the appointment and induction of local academy councils at Manshead CE Academy and Totterhoe Academy (June-July 2018).
-
- Review and propose amendments to the Trust Schemes of Delegation leading to the proposed adoption of a single Trust wide scheme of delegation;
 - Reviewing and identifying with the Chief Education Officer the roles and responsibilities of Members, Directors, Hub Board members and Academy Council members;
 - The redefinition of the role of Academy Councils with a focus on Christian Ethos and Community engagement.

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 Hub Boards provides a sustainable means for the governance of the Trust to grow as it expands. 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.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Robin Humber (Chair)	6	6
David Morton	6	6
Tony Williams	5	6
Natalie Dalvarez	2	3

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.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Lindsay Fraser (Chair)	4	4
Paul Dickens	4	4
Bill Morris	3	3
David Morton	3	4

The Pay & Performance Committee is a sub-committee of the main Board of Trustees. Its purpose is to establish the Pay Policy and to make decisions regarding staff pay and performance in accordance with the Policy.

The Pay & Performance Committee formally met once during the period.

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

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

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 – 2017/18

- The Trust has a robust tracking system for monitoring student achievement and is continually looking at how data can inform staff in order to support and extend the learning of the students. This has created cost savings by reducing the time senior Trust staff and Head teachers spend analysing data and pupil performance. All the Academy's within the Trust work collaboratively. Head teachers 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 appointment of six leading practitioners for the 2018/19 academic year has created 60 days of additional school improvement support in a highly cost effective manner.
- The creation of a central ICT and the standardisation of Broadband services has significantly reduced expenditure on ICT.
- Due to analysis of staffing needs the Trust reduced its projected staffing budget for 2018/19 by over £60,000.
- Capital Building projects, including CIF bids, are commissioned through a trusted provider on a no win no fee basis. Quality assurance of the bidding process was undertaken by the CEO and COO. In 2017/18 the Trust was awarded two CIF bids and secured an additional modular building at a competitive rate.

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing 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 year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The Academy 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;
- identification and management of risks.

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

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's 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

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

On a termly basis, the reviewer reports to the Board of Trustees through the Finance and Operations committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

There were no material control issues arising as a result of the reviewer's work during the period.

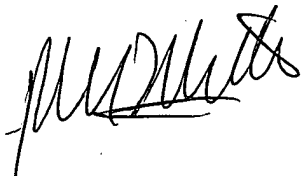
REVIEW OF EFFECTIVENESS

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and 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 13 December 2018 and signed on their behalf, by:



Paul Dickens
Chair of Trustees



Charlotte Johnson
Accounting Officer

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

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 2017.

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

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



Charlotte Johnson
Accounting Officer

Date: 13/12/2018

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

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

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 issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 13 December 2018 and signed on its behalf by:



Paul Dickens
Chair of Trustees

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 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

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**

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 2018

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

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

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

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

APPROACH

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

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

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

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

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' 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 meetings of the board of Trustees 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 company;
- Testing a sample of payroll payments to staff;
- Testing a sample of payments to suppliers and other third parties;
- Testing a sample of grants received and other income streams;
- Evaluating the internal control procedures and reporting lines, and testing as appropriate.

CONCLUSION

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



MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB

Date: 18 December 2018

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 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed assets funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations & capital grants:						
Asset funds inherited on conversion	2	64,839	-	-	64,839	1,254,639
Fixed asset funds inherited on conversion	2	-	-	4,176,000	4,176,000	128,262
Pension deficit inherited on conversion	2	-	(345,000)	-	(345,000)	(4,440,000)
Other donations and capital grants	2	70,635	180,747	48,459	299,841	88,833
Charitable activities:	5					
Funding for the academy trust's educational operations	3	-	11,106,994	-	11,106,994	4,346,088
Other trading activities	4	399,454	12,303	141,594	553,351	124,630
Investments	4	3,052	-	-	3,052	489
TOTAL INCOME		537,980	10,955,044	4,366,053	15,859,077	1,502,941
EXPENDITURE ON:						
Raising funds		493,068	-	-	493,068	84,666
Charitable activities		-	11,782,820	164,449	11,947,269	4,037,799
TOTAL EXPENDITURE	6	493,068	11,782,820	164,449	12,440,337	4,122,465
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		44,912	(827,776)	4,201,604	3,418,740	(2,619,524)
Transfers between Funds	17	-	(47,800)	47,800	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		44,912	(875,576)	4,249,404	3,418,740	(2,619,524)
Actuarial gains/(losses) on defined benefit pension schemes	22	-	519,000	-	519,000	(61,000)
NET MOVEMENT IN FUNDS		44,912	(356,576)	4,249,404	3,937,740	(2,680,524)
RECONCILIATION OF FUNDS:						
Total funds brought forward		1,098,204	(4,210,072)	431,344	(2,680,524)	-
TOTAL FUNDS CARRIED FORWARD		1,143,116	(4,566,648)	4,680,748	1,257,216	(2,680,524)

The notes on pages 28 to 51 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 2018

	Note	£	2018 £	2017 £
FIXED ASSETS				
Tangible assets	13		4,615,677	387,749
CURRENT ASSETS				
Stocks	14	-	4,875	
Debtors	15	562,932	261,024	
Cash at bank and in hand		1,987,932	2,525,052	
		<u>2,550,864</u>	<u>2,790,951</u>	
CREDITORS: amounts falling due within one year	16	(1,029,325)	(1,218,224)	
NET CURRENT ASSETS			<u>1,521,539</u>	<u>1,572,727</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,137,216</u>	<u>1,960,476</u>
Defined benefit pension scheme liability	22	(4,880,000)	(4,880,000)	(4,641,000)
NET ASSETS/(LIABILITIES) INCLUDING PENSION SCHEME LIABILITIES			<u><u>1,257,216</u></u>	<u><u>(2,680,524)</u></u>
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	17	313,352	430,928	
Restricted fixed assets funds	17	4,680,748	431,344	
Restricted income funds excluding pension liability		4,994,100	862,272	
Pension reserve		<u>(4,880,000)</u>	<u>(4,641,000)</u>	
Total restricted income funds			<u>114,100</u>	<u>(3,778,728)</u>
Unrestricted income funds	17		<u>1,143,116</u>	<u>1,098,204</u>
TOTAL FUNDS/(DEFICIT)			<u><u>1,257,216</u></u>	<u><u>(2,680,524)</u></u>

The financial statements on pages 25 to 51 were approved by the Trustees, and authorised for issue, on 13 December 2018 and are signed on their behalf, by:


Paul Dickens
Chair of Trustees

The notes on pages 28 to 51 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 2018**

	Note	Year ended 31 August 2018 £	Period ended 31 August 2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(361,654)	1,568,722
Cash flows from investing activities:			
Dividends, interest and rents from investments		(3,052)	(489)
Purchase of tangible fixed assets		(189,394)	-
Capital grants from DfE Group		(47,859)	(297,820)
Cash transferred on conversion		64,839	1,254,639
Net cash (used in)/provided by investing activities		(175,466)	956,330
Change in cash and cash equivalents in the year		(537,120)	2,525,052
Cash and cash equivalents brought forward		2,525,052	-
Cash and cash equivalents carried forward		1,987,932	2,525,052

The notes on pages 28 to 51 form part of these financial statements.

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

Diocese of St Albans Multi-Academy Trust constitutes a public benefit entity as defined by 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.

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

General Annual Grant is recognised in full in the Statement of Financial Activities incorporating Income and Expenditure Account in the period for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities incorporating Income and Expenditure Account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

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 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.

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

All expenditure is inclusive of irrecoverable VAT.

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

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

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

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

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

Leasehold property	-	2.00% straight line
Leasehold property improvements-		10% straight line
Plant and equipment	-	20% - 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 incorporating Income and Expenditure Account.

1.6 Stocks

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

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

1.8 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 2018**

1. ACCOUNTING POLICIES (continued)**1.9 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.

1.10 Liabilities and provisions

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

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

1. ACCOUNTING POLICIES (continued)

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy 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 costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

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

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

1.14 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed assets funds 2018 £	Total funds 2018 £	Total funds 2017 £
Asset funds inherited on conversion	64,839	-	-	64,839	1,254,639
Fixed asset funds inherited on conversion	-	-	4,176,000	4,176,000	128,262
Pension deficit inherited on conversion	-	(345,000)	-	(345,000)	(4,440,000)
Subtotal detailed disclosure	64,839	(345,000)	4,176,000	3,895,839	(3,057,099)
Donations	70,635	180,747	-	251,382	45,238
Capital Grants	-	-	48,459	48,459	43,595
Subtotal	70,635	180,747	48,459	299,841	88,833
	135,474	(164,253)	4,224,459	4,195,680	(2,968,266)
Total 2017	1,383,999	(4,395,860)	43,595	(2,968,266)	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Catering income	186,044	153,897	339,941	69,119
Lettings income	33,850	-	33,850	13,076
Uniforms income	766	-	766	459
Trips income	81,846	-	81,846	4,595
Other income - self generated	96,948	-	96,948	37,381
	399,454	153,897	553,351	124,630
Total 2017	124,630	-	124,630	

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

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

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	3,052	-	3,052	489
	<u>3,052</u>	<u>-</u>	<u>3,052</u>	<u>489</u>
Total 2017	489	-	489	
	<u>489</u>	<u>-</u>	<u>489</u>	

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General annual grant (GAG)	-	8,957,085	8,957,085	3,269,741
Pupil premium	-	435,040	435,040	183,520
Start up grant	-	-	-	204,250
CIF Bid	-	786,123	786,123	-
	<u>-</u>	<u>10,178,248</u>	<u>10,178,248</u>	<u>3,657,511</u>
Other government grants				
Special educational needs	-	322,867	322,867	73,975
Other government grants	-	605,489	605,489	614,602
	<u>-</u>	<u>928,356</u>	<u>928,356</u>	<u>688,577</u>
Other funding				
Other income	-	390	390	-
	<u>-</u>	<u>390</u>	<u>390</u>	<u>-</u>
	<u>-</u>	<u>11,106,994</u>	<u>11,106,994</u>	<u>4,346,088</u>
Total 2017	-	4,346,088	4,346,088	
	<u>-</u>	<u>4,346,088</u>	<u>4,346,088</u>	

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

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

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income					
Direct costs	3,292	-	45,354	48,646	281
Support costs	-	-	-	-	-
Expenditure on fundraising trading					
Direct costs	171,450	-	272,972	444,422	84,385
Support costs	-	-	-	-	-
Educational operations:					
Direct costs	7,065,057	-	1,092,866	8,157,923	2,681,059
Support costs	1,725,429	629,814	1,434,103	3,789,346	1,356,740
	<u>8,965,228</u>	<u>629,814</u>	<u>2,845,295</u>	<u>12,440,337</u>	<u>4,122,465</u>
Total 2017	<u>3,171,504</u>	<u>267,258</u>	<u>683,703</u>	<u>4,122,465</u>	

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Direct costs 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational operations	<u>8,157,923</u>	<u>3,789,346</u>	<u>11,947,269</u>	<u>4,037,799</u>
Total 2017	<u>2,681,059</u>	<u>1,356,740</u>	<u>4,037,799</u>	

Analysis of support costs

	2018 £	2017 £
Wages and salaries	1,725,429	615,292
Depreciation	137,466	38,333
Technology costs	176,762	69,694
Premises costs	492,348	228,925
Other support costs	1,220,131	374,996
Educational supplies	37,210	29,500
Total	<u>3,789,346</u>	<u>1,356,740</u>

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

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

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	Year ended 31 August 2018 £	Period ended 31 August 2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	137,466	38,333
Auditors remuneration	22,450	22,000
	<u>159,916</u>	<u>60,333</u>

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

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

9. STAFF COSTS**a. Staff costs**

Staff costs were as follows:

	Year ended 31 August 2018 £	Period ended 31 August 2017 £
Wages and salaries	6,964,186	2,468,091
Social security costs	613,282	205,762
Operating costs of defined benefit pension schemes	1,387,760	497,651
	<u>8,965,228</u>	<u>3,171,504</u>

b. Staff numbers

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

	Year ended 31 August 2018 No.	Period ended 31 August 2017 No.
Teaching	106	126
Administration	59	41
Support	130	103
Management	17	8
	<u>312</u>	<u>278</u>

c. Higher paid staff

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

	Year ended 31 August 2018 No.	Period ended 31 August 2017 No.
In the band £60,001 - £70,000	3	0
In the band £70,001 - £80,000	1	0
In the band £90,001 - £100,000	1	0

The above employees participated in the Teachers' Pension Scheme and Local Government Pension Scheme. During the year ended 31 August 2018, pension contributions for these staff amounted to £66,364 (2017 - £23,941).

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. There are no Trustees employed by the Trust other than Mr D Morton.

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

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

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:

	Year ended 31 August 2018 £	Period ended 31 August 2017 £
Churchfield CE Academy	60,144	32,004
Thomas Whitehead CE Academy	49,644	22,735
Manshead CE Academy	290,643	108,835
Caldecote CE Academy	19,628	4,807
Kensworth CE Academy	17,641	-
Totterhoe CE Academy	10,434	-
Total	<u>448,134</u>	<u>168,381</u>

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

		Year ended 31 August 2018 £	Period ended 31 August 2017 £
Mr D Morton	Remuneration	N/A	N/A

The Academy Trust has no staff Trustees. Mr D Morton CEO receives no remuneration from the Trust. He is employed by the Diocese of St Albans of which his salary is recharged as disclosed in the Related Party Transactions..

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

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

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.

13. TANGIBLE FIXED ASSETS

	Leasehold land and buildings £	Licence to occupy improvements £	Plant and machinery £	Total £
Cost				
At 1 September 2017	-	190,261	235,821	426,082
Additions	-	141,594	47,800	189,394
Assets transferred on conversion in to the trust	4,176,000	-	-	4,176,000
At 31 August 2018	4,176,000	331,855	283,621	4,791,476
Depreciation				
At 1 September 2017	-	488	37,845	38,333
Charge for the year	31,795	369	105,302	137,466
At 31 August 2018	31,795	857	143,147	175,799
Net book value				
At 31 August 2018	4,144,205	330,998	140,474	4,615,677
At 31 August 2017	-	189,773	197,976	387,749

Licence to occupy

The Board of Finance of the Diocese of St Albans and Ashton 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. 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.

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

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

14. STOCKS

	2018 £	2017 £
Catering stock	-	4,875

15. DEBTORS

	2018 £	2017 £
Trade debtors	107,786	12,610
Other debtors	140,359	123,302
Prepayments and accrued income	314,787	125,112
	<u>562,932</u>	<u>261,024</u>

16. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	9,226	185,397
Other creditors	168,995	755,242
Accruals and deferred income	851,104	277,585
	<u>1,029,325</u>	<u>1,218,224</u>

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	54,246	-
Resources deferred during the year	35,225	54,246
Amounts released from previous years	(54,246)	-
Deferred income at 31 August 2018	<u>35,225</u>	<u>54,246</u>

Included within other creditors is £nil (2017: £1,175) being the Capital Salix Loan.

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

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

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

17. STATEMENT OF FUNDS

	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 funds						
Charitable start up grant	5,549	-	-	-	-	5,549
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)
	(4,210,072)	10,955,044	(11,782,820)	(47,800)	519,000	(4,566,648)
Restricted fixed assets 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
	431,344	4,366,053	(164,449)	47,800	-	4,680,748
Total restricted funds	(3,778,728)	15,321,097	(11,947,269)	-	519,000	114,100
Total of funds	(2,680,524)	15,859,077	(12,440,337)	-	519,000	1,257,216

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 £3,574,683 will be reserved against future depreciation charges. The remaining £65,072 relates to unspent capital grants which will be used to enhance the Academy Trust's facilities.

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

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

17. STATEMENT OF FUNDS (continued)**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Churchfield CE Academy	279,941	277,900
Thomas Whitehead CE Academy	(16,897)	75,358
Manshead CE Academy	1,144,677	879,579
Caldecote CE Academy	(21,624)	(4,863)
Kensworth CE Academy	(20,933)	37,324
Totternhoe CE Academy	28,638	-
Central Services	62,666	263,834
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	1,456,468	1,529,132
Restricted fixed asset fund	4,680,748	431,344
Pension reserve	(4,880,000)	(4,641,000)
	<hr/>	<hr/>
Total	1,257,216	(2,680,524)
	<hr/>	<hr/>

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

Name of academy	Amount of deficit £
Thomas Whitehead CE Academy	(16,897)
Caldecote CE Academy	(21,624)
Kensworth CE Academy	(20,933)

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.

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

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

17. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2018 £	Total 2017 £
Churchfield CE Academy	988,927	74,936	51,285	420,863	1,536,011	763,755
Thomas Whitehead CE Academy	942,488	146,003	34,230	570,179	1,692,900	604,077
Manshead CE Academy	3,599,772	588,089	149,025	2,589,003	6,925,889	2,209,905
Caldecote CE Academy	313,513	16,328	28,555	116,295	474,691	73,371
Kensworth CE Academy	287,035	109,698	15,759	117,270	529,762	56,515
Totternhoe CE Academy	188,277	67,191	8,548	98,735	362,751	-
Central Services	41,585	-	167,936	565,625	775,146	396,509
	<u>6,361,597</u>	<u>1,002,245</u>	<u>455,338</u>	<u>4,477,970</u>	<u>12,297,150</u>	<u>4,104,132</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 27 October 2016 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
General Funds- all funds	-	1,380,856	(84,666)	(197,986)	-	1,098,204
Restricted funds						
Charitable start up grant	-	204,250	(75,900)	(122,801)	-	5,549
GAG	-	3,161,967	(3,100,182)	(34,411)	-	27,374
Pupil Premium	-	181,700	(118,350)	-	-	63,350
Other ESFA Income	-	36,204	-	-	-	36,204
GUTP / teacher recharges	-	5,372	-	-	-	5,372
Other government grants	-	756,596	(565,034)	(104,909)	-	86,653
Other income	-	44,139	-	162,287	-	206,426
Pension reserve	-	(4,440,000)	(140,000)	-	(61,000)	(4,641,000)
	<u>-</u>	<u>(49,772)</u>	<u>(3,999,466)</u>	<u>(99,834)</u>	<u>(61,000)</u>	<u>(4,210,072)</u>

DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

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

17. STATEMENT OF FUNDS (continued)

Restricted fixed assets funds

DfE capital grants - unspent	-	43,596	-	-	-	43,596
Assets inherited on conversion	-	128,262	(32,791)	-	-	95,471
Other capital expenditure	-	-	(5,543)	297,820	-	292,277
	-	171,858	(38,334)	297,820	-	431,344
Total restricted funds	-	122,086	(4,037,800)	197,986	(61,000)	(3,778,728)
Total of funds	-	1,502,942	(4,122,466)	-	(61,000)	(2,680,524)

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed assets 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)
	1,143,116	(4,566,648)	4,680,748	1,257,216

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed assets funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	387,749	387,749
Current assets	1,098,204	1,649,152	43,595	2,790,951
Creditors due within one year	-	(1,218,224)	-	(1,218,224)
Provisions for liabilities and charges	-	(4,641,000)	-	(4,641,000)
	1,098,204	(4,210,072)	431,344	(2,680,524)

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

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

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Year ended 31 August 2018 £	Period ended 31 August 2017 £
Net expenditure for the period (as per Statement of Financial Activities)	3,418,740	(2,619,524)
Adjustment for:		
Depreciation charges	137,466	38,333
Dividends, interest and rents from investments	3,052	489
Decrease/(increase) in stocks	4,875	(4,875)
Increase in debtors	(301,908)	(261,024)
(Decrease)/increase in creditors	(188,899)	1,218,224
Defined benefit pension scheme obligation inherited	345,000	4,440,000
Defined benefit pension scheme cost less contributions payable	288,000	100,000
Defined benefit pension scheme finance cost	125,000	40,000
Capital grants from DfE Group	47,859	-
Fixed asset transfer inherited on conversion	(4,176,000)	(128,262)
Cash transferred on conversion to an academy trust	(64,839)	(1,254,639)
Net cash (used in)/provided by operating activities	(361,654)	1,568,722

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Year ended 31 August 2018 £	Period ended 31 August 2017 £
Cash in hand	1,987,932	2,525,052
Total	1,987,932	2,525,052

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

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

21. CONVERSION TO AN ACADEMY TRUST

On 1 February 2018 Totternhoe 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 headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - 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 incorporating income and expenditure account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2018 £
Leasehold land and buildings	-	-	4,176,000	4,176,000
Other assets - (Cash)	60,372	-	-	60,372
LGPS pension surplus/(deficit)	-	(345,000)	-	(345,000)
Total	<u>60,372</u>	<u>(345,000)</u>	<u>4,176,000</u>	<u>3,891,372</u>

22. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hertfordshire County Council and Central Bedfordshire Council. Both are Multi-Employer Defined Benefit Pension Schemes.

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

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

Teachers' Pension Scheme**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

22. PENSION COMMITMENTS (continued)

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £609,914 (2017 - £217,041).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £604,000 (2017 - £221,469), of which employer's contributions totalled £486,000 (2017 - £177,665) and employees' contributions totalled £118,000 (2017 - £43,804). The agreed contribution rates for future years are 21.8%% for employers and between 5.5% to 12.5%% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Expected return on scheme assets at 31 August	2.80 %	2.00 %
Rate of increase in salaries	2.60 %	2.70 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %

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

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

22. PENSION COMMITMENTS (continued)

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

	2018	2017
Retiring today		
Males	22.4	22.4
Females	24.6	24.6
Retiring in 20 years		
Males	24.0	24.0
Females	26.3	26.3

	Year ended At 31 August 2018 £	Period ended At 31 August 2017 £
Sensitivity analysis		
0.5% decrease in Real Discount Rate	769,000	640,000
0.5% increase in the Salary Increase Rate	107,000	108,000
0.5% increase in the Pension Increase Rate	655,000	523,000

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	724,000	391,000
Corporate bonds	294,000	136,000
Property	111,000	48,000
Cash and other liquid assets	165,000	51,000
Total market value of assets	1,294,000	626,000

The actual return on scheme assets were £48,000 (2017 - £27,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	Year ended 31 August 2018 £	Period ended 31 August 2017 £
Past service cost	(40,496)	-
Interest income	23,000	6,000
Interest cost	(148,000)	(46,000)
Current service cost	774,000	284,000
Total	608,504	244,000

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

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

22. PENSION COMMITMENTS (continued)

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

	Year ended 31 August 2018 £	Period ended 31 August 2017 £
Opening defined benefit obligation	5,267,000	-
Upon conversion	361,000	-
Transferred in on existing academies joining the trust	-	4,812,000
Interest cost	148,000	46,000
Employee contributions	118,000	43,000
Actuarial (gains)/losses	(494,000)	82,000
Current service cost	774,000	284,000
	<hr/>	<hr/>
Closing defined benefit obligation	6,174,000	5,267,000
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Movements in the fair value of the Academy Trust's share of scheme assets:

	Year ended 31 August 2018 £	Period ended 31 August 2017 £
Opening fair value of scheme assets	626,000	372,000
Upon conversion	16,000	-
Interest income	23,000	6,000
Actuarial losses	25,000	21,000
Employer contributions	486,000	184,000
Employee contributions	118,000	43,000
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Closing fair value of scheme assets	1,294,000	626,000
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23. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	12,506	11,832
Between 1 and 5 years	7,493	7,493
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Total	19,999	19,325
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DIOCESE OF ST ALBANS MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

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

24. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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

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 £23,090 for the period. Other expenses recharged during the period totalled £8,901.

In respect to Manshead CE Academy, utilities were recharged to St Mary's Lower School totalling £4,247 during the period. Utilities were also recharged to Streetfield Middle School totalling £9,102 during the period.

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.