
ALBAN ACADEMIES TRUST
(formerly Sandringham School Academy Trust)
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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ALBAN ACADEMIES TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members

F Letanka
L Keen
D Gibbons
J Wright

Trustees

A Gray, Head Teacher
L Keen, Chair
D Gibbons, Vice Chair
A Sykes (resigned 14 June 2017)
A Irwin
P Thei
J Wright
G Comninou
M Snelling (resigned 5 July 2017)
A Garland (resigned 5 July 2017)
D Leigh (resigned 5 July 2017)
R Houlden (resigned 5 July 2017)
C Chohan (resigned 5 July 2017)
J Head (resigned 5 July 2017)
R Peacock (resigned 5 July 2017)
J Jones (resigned 5 July 2017)
S Hebb (resigned 11 October 2016)
M Allday (appointed 17 November 2016, resigned 5 July 2017)
A Cox (resigned 5 July 2017)

Company registered number

07523557

Company name

Alban Academies Trust (formerly Sandringham School Academy Trust)

Principal and registered office

The Ridgeway, St Albans, Hertfordshire, AL4 9NX

Company secretary

J Shaw

Senior management team

A Gray, Head Teacher
A Moane, Deputy head teacher
C Creaby, Deputy head teacher
J Shaw, Business Manager

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Independent auditor

Hillier Hopkins LLP, Radius House, 51 Clarendon Road, Watford, Herts, WD17 1HP

Bankers

Lloyds TSB Bank Plc, 1 Bancroft, Hitchin, Hertfordshire, SG5 1JG

Solicitors

Browne Jacobson LLP, 6th floor, 77 Gracechurch Street, London, EC3V 0AS

Sandringham School
Local Governing Body as at 31st August 2017

A Gray, Head Teacher
L Keen, Chair
D Gibbons, Vice Chair
A Sykes (resigned 14 June 2017)
A Irwin
P Thei
J Wright
G Comninos
M Snelling
A Garland
D Leigh
R Houlden
C Chohan
J Head
R Peacock
J Jones
S Hebb (resigned 11 October 2016)
M Allday (appointed 17 November 2016)
A Cox

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditor's report of Alban Academies Trust (the School) for the ended 31 August 2017. The Trustees confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued 2015. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Structure, governance and management

a. Constitution

The Alban Academies 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 Alban Academies Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Alban Academies Trust (formerly Sandringham School Academy Trust) and consists of one academy - Sandringham School Academy Trust.

Details of the Trustees who served during the year on the Trust and the details of the Local Governing Body of Sandringham School are included in the Reference and administrative details on pages 1 and 2.

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

The management of Alban Academies Trust and Sandringham School is the responsibility of the Trustees and Governors who are elected and co-opted under the terms of the Trust deed.

Trustees and Governors are appointed as follows:

Trustees:	Appointed by members of the Trust
Parent Governors:	Through open election for all eligible parents or guardians of students who attend Sandringham School.
Staff Governors:	Through open election for all eligible members of staff working at Sandringham School.
Community Governors:	Through nomination by the board of Governors of Sandringham School. We would seek to appoint Governors with relevant background or experience to complement the existing Governor qualifications.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

d. Organisational structure

The Trustees of the Alban Academies Trust constitute the Strategic Board. Each constituent academy is governed by a Local Governing Body (effectively the Board of Governors). The Local Governing Body of Sandringham School (the only school currently within the Trust) is responsible for the overall management and control of the school and meet four times a year.

The work of reviewing and monitoring most of their policies is delegated to the members of the Curriculum, Achievement and Welfare Committee, the Human Resources Committee, the Audit Committee, the Resources Committee and the Admissions Committee. These meet at least once each term and work under the chairmanship of a Governor appointed at the first Full Governors General Meeting each calendar year. Terms of reference of these committees are agreed annually at this meeting. The secretary to the Governors is responsible for coordinating the work of the Governors and their Committees, preparation of agendas and papers and review of matters arising. The Business Manager is responsible for preparation of accounts.

All Governors give of their time freely and no remuneration and no expenses were paid in the year.

The Governors determine the general policy of the school. The day to day running of the school is delegated to the Head, supported by senior staff. The Headteacher undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day to day administration is undertaken within the policies and procedures approved by the Governors which provide for only significant expenditure decisions and major capital projects to be referred to the Governors for prior approval.

The Headteacher oversees the recruitment of all educational staff, whilst under delegated authority the school manager oversees the recruitment of administrative and non teaching support staff. The Headteacher is an ex officio Governor, Principal Accounting Officer and attends all meetings. The Business Manager is invited to attend Governors' meetings as appropriate.

e. Policies and procedures adopted for the induction and training of Trustees

We expect all Trustees and Governors to undertake training as appropriate to their role on the Trust Board or Local Governing Body. New Trustees/Governors will be provided with an induction programme delivered partly in house and partly through external sources as required. A log is kept of all Trustee/Governor training and reviewed on a regular basis at Trustees/Governor meeting.

f. Pay policy for key management personnel

Key management personnel includes Trustees, the Local Governing Body and the school's senior leadership team. Pay and remuneration for these individuals is set according to the Trust's pay policy which is ratified by the HR committee.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

g. Connected organisations, including related party relationships

The Headteacher is a member of a number of professional organisations which enable him to keep abreast of current educational matters and network with other outstanding schools to share expertise, knowledge and experience.

As part of its work, Sandringham School has a formal partnership with Beaumont and Verulam Schools to provide high quality post 16 education to our joint sixth forms. It also works in a federation (The Alban Federation) with local schools to provide Schools Direct Teacher Training, funded by the National College for Teaching and Leadership. In both cases, Governors review working policies in partnership with these partner schools. The Alban Teaching School Alliance (ATSA) was set up in April 2012 by Sandringham School and Sir John Lawes after both schools obtained National Teaching School Status. It aims to support all those schools and individuals who wish to share and develop their expertise in a collaborative way to raise standards for young people. Sandringham School is also in an EIP (Education Improvement Partnership) with Sir Frederic Osborn School in Welwyn Garden City and became a Research School in July 2017.

h. Risk management

The Trust has a risk register in place which is reviewed by the Strategic Trust Board and the Local Governing Body of Sandringham School.

The Governors of Sandringham School are responsible for the overseeing of the risks faced by the school. Detailed considerations of risk are delegated to the Senior Leadership team of the school. Risks are identified, assessed and controls established throughout the period. A formal review of the school's risk management processes will be undertaken on an annual basis. Risk is managed under the headings of financial sustainability, school safety, student welfare, employment, school trips and events and community access.

Through the risk management processes established for the school, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Objectives and Activities

a. Objects and aims

Alban Academies Trust's objects are specifically restricted to the following:

- 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 a school offering a broad and balanced curriculum ("the Academy"); and
- to promote for the benefit of the inhabitants of Hertfordshire and the surrounding area, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

b. Objectives, strategies and activities

The purpose of Sandringham School is to be a learning community where young people and adults share the search for knowledge, truth and pursuit of excellence. Our vision is to deliver World Class learning to all students.

Our belief, as communicated to the pupils, is that 'Everybody can be Somebody' because we:

- know unrecognised talent lies latent in all of us
- believe in you not only as you are but also what you might become
- want you to be able to achieve even more than you hoped to achieve
- know that personal motivation is a critical factor in achieving success
- should all be able to experience the excitement of learning and euphoria of success

Our values are to:

Have respect for:-

- learning and achievement
- each other: valuing different views, beliefs and cultures
- our community: supporting activities and presenting a positive image of the school
- the environment: keeping it clean and tidy and fit for learning
- the school rules and regulations

Take responsibility for:-

- making significant progress and being a successful learner
- setting high standards of behaviour, conduct, appearance and attitude
- being independent learners and leaders, taking initiative and supporting others
- meeting the challenges of the future and being confident in all that you do
- making a positive contribution to society

Develop relationships which:-

- are strong between each other in and out of school
- allow you to lead safe and healthy lives and look after the well being of each other
- help you think creatively and rationally and be enthusiastic about learning
- help you know and value other people

Our objectives for the period included consolidation of assets, improvement of core facilities, use of new technologies and staff development. Governors and senior staff worked throughout the period to ensure we

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TRUSTEES' REPORT (continued)
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moved forward on the above activities.

c. Public benefit

Alban Academies Trust is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Achievements and performance

a. Key performance indicators

Performance at the Trust can be summarised using a series of measurements including;

KPI	Sandringham School
OFSTED/external review	SIP review graded as outstanding
Examination Results	GCSE including English and Maths - 86% grade 4 and above, 76% grade 5 or above. Progress 8 measure of 0.87. A Level – Average 40 points per entry, 42% of all grades A*/A, 7% A*-B. ALPS 2.
Student Attendance	97%
Student Numbers	Overcapacity in all year groups.
Staff Recruitment	No vacancies in September 2017
Budget	Year end in surplus.

b. Review of activities

Our academic results again showed further improvements with some of our public examination results being the best achieved by the school to date. At GCSE, 86% of students achieved a grade 4 and above in English and Mathematics and 76% of students achieved grade 5 or above in English and Mathematics. A total of 43% of all grades achieved were 7-9/A-A*. Overall the school achieved a progress 8 measure of 0.87 which should place the school in the top 100 schools in the country once again.

At A level, 42% of all grades were A*/A and 72% A*-B and students achieved an average of 40 points per entry, equivalent to grade B. The overall ALPS score was 2 which puts us in the top 10% of the schools nationally. These results ensured that almost all leavers took up higher education places in 2017 for their preferred courses.

Other key achievements and activities in the 2016/17 academic year have included: -

- Receiving excellent reports from our School Improvement Partner (SIP) for submission to the DfE;
- Students at the school undertook a wide range of extra-curricular activities from arts through to sports with considerable success;
- Excellent attendance records for our students of 97%;
- This was the second year of the schools increased PAN with an additional 30 students, making a total of 243, joining in Year 7 in September 2017;
- The school completed the renovation of the swimming pool and changing rooms;
- The school completed of a refurbishment of the main school kitchen and a Starbucks café to enable them

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- to cater for increased student numbers;
- The school also developed its outside space with the installation of a new kiosk for use by 6th form students;
- Undertook an expansion of the main school hall;
- Continued increased use of technology to support learning in the classroom with the aim to develop '21st Century World Class' learners with the rollout of laptops in the 6th form;
- Continued staff development through regular teacher toolkit sessions and the middle and established leader training programme; and
- Continued success for the Alban Teaching School Alliance including: provision of school to school support; further development of CPD programmes; collaborative working with Herts For Learning; continued development of research and development in partnership with the EEF; further appointment and training of Specialist Leaders of Education (SLEs) and Alban Leaders of Education (ALEs) and successful grant applications to fund projects and professional learning programmes for teachers such as 'Research Advocates' and 'Meaningful Maths'
- Further success with the Alban Federation School's Direct programme, led by the school and in collaboration with local schools, with 47 trainees gaining qualified teacher status.

c. Investment policy and performance

The School's Investment Strategy is:

1. Regularly monitor cash flow and current/fund account balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the accounts have adequate balances to meet forthcoming commitments. In practice the target is to maintain a working balance of between £100,000 and £300,000.
2. Periodically review interest rates and compare with other investment opportunities.
3. The school's current policy is to only invest funds in 'risk free' and immediately assessable deposit accounts.

Any change in policy requires the approval of Governors via the Resources Committee.

Financial review

a. Going concern

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

b. Financial risk management objectives and policies

The Trustees have developed a risk management policy for the Trust and this is continually reviewed and updated termly by the Resources Committee. The school has assessed the risks under the main categories of strategic and reputational, physical, financial, students, staffing, governance and infrastructure. The Audit Committee review the effectiveness of risk management, monitor the risk profile against the board's desired risk tolerance the effectiveness and output of the risk management process and ensure that risk management is appropriately embedded and monitored within line management.

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c. Principal risks and uncertainties

The principal risks faced by the school include the following:

1. Strategic and reputational – risks associated with failure to comply with legislation or a national/international economic/natural crisis
2. Physical – risk associated with the loss of an academy building/asset
3. Financial – risk associated with inadequate funding or over spend on capital build
4. Students – risk associated with the safety and well-being of students
5. Staffing – risk associated with the recruitment and retention of staff or low attainment
6. Governance – risk associated with the failure to recruit/retain Governors
7. Infrastructure – risk associated with the loss of IT network/servers or key utilities

Any of the above could affect the performance, future prospects or reputation of the school, and therefore controls are in place to mitigate and monitor these risks.

d. Reserves policy

The Trustees have developed a reserve policy for the Trust. This review, to prepare the policy, encompassed the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Governors have determined that the appropriate level of free reserves (total funds less the amount held in tangible fixed assets and restricted funds) should be approximately £75,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide resources to deal with unexpected emergencies such as urgent maintenance. The school's current level of free reserves is £906,420 (2016: £681,490) which is more than needed.

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TRUSTEES' REPORT (continued)
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e. Principal funding

The majority of the school's funding was provided by the Education and Skills Funding Agency (ESFA). The school's total incoming resources for the year ended 31 August 2017 amounted to £7,922,541 (2016: £8,102,244) of which £6,314,087 (2016: £6,094,681) related to the ESFA revenue grant and £27,507 (2016: £22,571) for the ESFA capital grant. In addition, the school has received funding of £158,559 (2016: £190,176) from the National College for Teaching & Leadership and £nil (2016: £353,000) from Hertfordshire County Council in respect of capital projects.

The school held fund balances of £17,812,155 (2016: £17,876,402) at 31 August 2017 which includes unrestricted funds of £906,420 (2016: £681,490) of which £nil (2016: £nil) is designated.

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Plans for future periods

a. Future developments

Maintaining and, where necessary, developing the fabric of the facilities of Sandringham School are central to our strategy. Our plans are primarily focused on the development the schools core facilities and the provision of additional teaching spaces.

We have a planned programme of maintenance and investment for the school site. Each year we invest heavily in computer equipment and infrastructure to ensure our students and staff have the very best technology we can provide.

Environmental issues are also high priority and we continue to develop our buildings to ensure they are more energy efficient.

Funds held as custodian


As a National Teaching school and Schools Direct provider Sandringham School is in receipt of funding on behalf of other schools in the local area as well as trainee teachers. The school is responsible of ensuring that these funds are distributed appropriately and within the agreed timescales. The school is also in receipt of funds from parents/carers for school trips and activities and similarly ensures that these funds are passed over to external providers as necessary.

Disclosure of information to auditor

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 auditor is aware of that information.

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 15 Dec 17 and signed on its behalf by:



.....
L Keen
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Alban Academies 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 Trust Board has delegated the day-to-day responsibility to the Headteacher of Sandringham School, 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 Alban Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Trust Board 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 Trust Board has not formally met during the year, since its establishment on 1st August 2017. The Local Governing Body of Sandringham School however has met 5 times and the attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
A Gray, Head Teacher	5	5
L Keen, Chair	5	5
D Gibbons, Vice Chair	5	5
A Sykes	2	4
A Irwin	5	5
P Thei	4	5
J Wright	3	5
G Comninos	4	5
M Snelling	5	5
A Garland	5	5
D Leigh	3	5
R Houlden	4	5
C Chohan	4	5
J Head	4	5
R Peacock	3	4
J Jones	4	5
S Hebb	0	1
M Allday	4	4
A Cox	2	5

The board continued to work on aspects of individual development and group effectiveness as highlighted from the previous year's assessment exercise. In the coming year, governors will be evaluating how they can adapt their current practices to ensure efficient working within the new Alban Academies Trust structure.

The Chair has undertaken a 360-degree review administered by the National Governors Association; results were communicated to the board.

The Resources Committee is a subcommittee of the main Board of Trustees. Its purpose is to ensure sound management of the Academy's finance and resources, including proper planning, monitoring and probity.

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Gray	4	5
D Gibbons	4	5
A Sykes	1	5
R Peacock	5	5
G Comminos	5	5
D Leigh	0	5
C Chohan	4	4
M Allday	3	3

The Audit Committee is also a subcommittee of the main Board of Trustees. Its purpose is to review financial reports and systems, monitor the risk management process and review the disaster recovery plan.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Gray	2	2
L Keen	2	2
A Irwin	2	2
D Leigh	0	1
M Snelling	2	2

Review of Value for Money

As accounting officer the Headteacher has responsibility for ensuring that the 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 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- **Raising Student Attainment**

This is demonstrated by the three-year trend in exam results at Sandringham School, with results for 2016/17 academic year being outstanding once again. To ensure that standards are continually raised the school: operated a programme of lessons observations; was visited by the school improvement partner; undertook a comparison of results from entry to Key Stage 3 to GCSE and from GCSE to A level to assess the added value. The school has developed and has fully embedded tracking systems for individual students that track levels of progress from Key Stage 2 through to Post 16. As a result, the Academy has evidence that students achieved a Progress 8 score of +0.87; Attainment 8 score of 62; Basics score of 86% (standard pass) and 76% (strong pass); Ebacc score of 56% – all of which indicators place the school in the top 100 / top 5% of schools nationally.

- **Continued Focus on Behaviour and Attendance**

We are pleased that the number of fixed term exclusions has reduced year on year and there continue to be no permanent exclusions. We have also monitored and recognised the increase in rewards given to students across year groups. Attendance continues to be consistently outstanding year on year with the 16/17 attendance being 97%.

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GOVERNANCE STATEMENT (continued)

• **Effective use of Pupil Premium Funding**

132 students were eligible for the pupil premium at Sandringham School in 2016/2017, resulting in a total of £120k extra funding all of which was spent during the year. The funding was spent on the following:

- Additional support for targeted students in English and Maths
- One-to-one tuition places for English and Maths
- Text books and education equipment support for individual students
- Assistance with the cost of curriculum trips, curriculum activities and other school trips
- Support for extra-curricular activities
- Staffing costs for mentoring
- Careers advice and guidance
- Support from external professionals including counselling and behaviour support
- Alternative provision (e.g. College Courses)
- Extended Work Experience Placements

Pupil premium students continue to perform well above the national average:

Performance Measure	Disadvantaged (v. National)	Non-Disadvantaged (v. National)	Whole School	National Data (where available)
Cohort	18	177	195	-
P8	+0.75	+0.88	+0.87	0
Standard Pass (Grade 4+)	80%	86%	86%	-
Strong pass (Grade 5+)	73%	76% (v. 39%)	76%	39%
A8	60	62 (v.44)	62	44
Ebacc	67%	55% (v.20%)	56%	20%

• **Efficient Staff Utilisation**

Our main expenditure is on staff salaries. For 2016/17 payroll as a proportion of total income was 73%, the sector average being 70-80%. As this measure is low against the sector average it means that more funds are available for spending on other items. The school also raises a significant amount of unrestricted income, when compared with other schools, which has a positive impact on this measure. Teaching staff were under constant review during the year and additional/existing staff were deployed to help in core subjects to reduce class sizes and to allow for intervention for those students needing further academic support. Funds generated through teaching school work were used to establish teaching school structures, creating additional capacity to raise educational standards across the local area.

• **Introduction of New Initiatives**

The school had another successful year as a teaching school (the Alban Teaching School Alliance) including the provision of school to school support, set up of CPD programmes in collaboration with Herts For Learning, developing the research and development function through Herts Cam and the appointment and training of Specialist Leaders of Education (SLEs) and Alban Leaders of Education (ALEs) for work in local schools. The school also another successful year as a School-Based Initial Teaching Training provider (SCITT) coordinating the training of 47 new teachers across 20 schools.

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GOVERNANCE STATEMENT (continued)

- **Robust Financial Governance and Oversight**

Sandringham School has appointed a governor as Responsible Officer (RO), who has delegated the RO reviews to an external consultant. The RO reviews key financial policies, systems and procedures, including the use of tenders and presents reports on compliance to the Resources and Audit Committee. The Resources Committee also receives half termly budget monitoring reports and the three year forecast.

The Local Governing Body approves the budget each year and is mindful of the need to balance expenditure against income to ensure the school remains a 'going concern'. The Local Governing Body also receives and approves the Annual Accounts and the External Auditors Management Report. There is discussion and challenge of financial information at both the Resources, Audit and Full Local Governing Body meetings.

- **Cost Effective Purchasing**

The school regularly benchmarks financial performance against other academy trusts to demonstrate that the Trust provides good value for money. The school is part of a local secondary academy forum which provides the opportunity to benchmark salary scales and contract prices. Tender exercises are regularly undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts (3 to 5 years) remain competitive. For purchases above £5,000 but below the tender limit 3 quotes are required. During the year the school has renegotiated contracts for insurance and photocopiers as well as conducting a tender exercise for a new MIS, all achieving best value.

- **Maximising Income Generation**

The school explores every opportunity to generate income through hire of school's facilities. The opening of the new sports hall has increased the potential income in this area and is being managed carefully to ensure that income is maximised. Our staff have also used their expertise in a range of income generation consultations and teaching alliances.

- **Reviewing Controls and Managing Risks**

Monthly budget monitoring reports are produced and reviewed by the Business Manager and the Head and any necessary remedial action is taken to address any significant variances that may have an impact on the budget out-turn. We also continually monitor processes with the intention of achieving greater efficiencies that also lead to cost reductions. Governors have agreed a risk register which details all potential financial and business risks, considers their impact and details mitigating measures to reduce risk exposure.

- **Reviewing Operations to Maximise the Use of Resources**

The school Leadership Group review expenditure within each budget heading annually and make adjustments based on the effectiveness of strategies introduced in previous years, curriculum offer and any new strategies identified in the Plan for School Improvement.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Alban Academies Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (continued)

Capacity to Handle Risk

The Trust Board and Local Governing Body 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 Trust Board and Local Governing Body are of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trust Board and Local Governing Body of Sandringham School.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trust Board ;
- regular reviews by the governors 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 Trustees have considered the need for a specific internal audit function and has decided to appoint Mark Snelling, a Trustee and Governor of Sandringham School to act as Responsible Officer, who is assisted by SBM Consultancy as internal auditor.

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

A site and 'desktop' review of the academy's systems and controls in the spring term of 2017 covering;

- i. Audit arrangements
- ii. Budget planning, monitoring and reporting
- iii. Internal control
- iv. Governance
- v. Risk management
- vi. Purchasing, income, payroll, cash control, assets, catering, letting, pupil premium

On an annual basis, the internal auditor reports to the Local Governing Body of Sandringham School through the audit committee on the operation of the systems of control and on the discharge of the academy trusts financial responsibilities.

The internal auditor checks were carried out as planned over the year and findings from these visits resulted in some minor recommendations being made, none of which were deemed to be significant.

ALBAN ACADEMIES TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Review of Effectiveness

As Accounting Officer, the Headteacher of Sandringham School has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

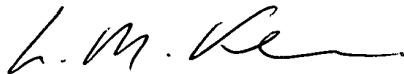
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the internal auditor and a plan to address weaknesses and ensure continuous improvement of the system is in place.

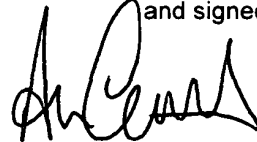
Approved by order of the members of the Trust Board on

15 Dec 17

and signed on their behalf, by:



.....
L Keen
Chair of Trustees



.....
A Gray
Accounting Officer

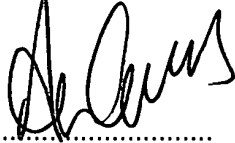
ALBAN ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Alban Academies Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2016.

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 2016.

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.



.....
A Gray
Accounting Officer

15/12/17

ALBAN ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who act as governors of Alban Academies Trust (formerly Sandringham School Academy Trust) and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and 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 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Trust Board on 18 Dec 17 and signed on its behalf by:



.....
L Keen
Chair of Trustees

ALBAN ACADEMIES TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ALBAN ACADEMIES TRUST

Opinion

We have audited the financial statements of Alban Academies Trust for the year ended 31 August 2017 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

ALBAN ACADEMIES TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ALBAN ACADEMIES TRUST

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 Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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' remunerations specified by law 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 for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the academy's ability to

ALBAN ACADEMIES TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ALBAN ACADEMIES TRUST

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's or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 Auditor's 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. The description forms part of our Auditor's report.



Alexander Bottom ACA (Senior statutory auditor)

for and on behalf of

Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford

Herts

WD17 1HP

Date:

19th December 2017

ALBAN ACADEMIES TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 3 December 2015 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Alban Academies Trust during the year 1 September 2016 to 31 August 2017 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 Alban Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Alban Academies 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 Alban Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of Alban Academies Trust's funding agreement with the Secretary of State for Education dated 31 March 2011, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

ALBAN ACADEMIES TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ALBAN ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity across the Academy Trust's activities.
- Testing and review of areas identified through risk assessment including enquiry, observation, inspection and review of supporting evidence.
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime.
- Consideration of evidence obtained through the work performed as part of our financial statements audit in order to support the regularity conclusion.

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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

Date: 19th December 2017

ALBAN ACADEMIES TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:						
Donations and capital grants	2	33,615	10,317	90,138	134,070	426,501
Charitable activities	3	511,684	6,691,838	-	7,203,522	7,096,841
Other trading activities	4	581,747	-	-	581,747	570,953
Investments	5	3,202	-	-	3,202	7,949
Total income		1,130,248	6,702,155	90,138	7,922,541	8,102,244
Expenditure on:						
Raising funds	6	195,367	-	-	195,367	154,226
Charitable activities		543,145	6,896,649	1,093,627	8,533,421	8,360,161
Total expenditure	9	738,512	6,896,649	1,093,627	8,728,788	8,514,387
Net income / (expenditure) before transfers		391,736	(194,494)	(1,003,489)	(806,247)	(412,143)
Transfers between Funds	20	(166,806)	40,494	126,312	-	-
Net income / (expenditure) before other recognised gains and losses		224,930	(154,000)	(877,177)	(806,247)	(412,143)
Actuarial gains/(losses) on defined benefit pension schemes	28	-	742,000	-	742,000	(627,000)
Net movement in funds		224,930	588,000	(877,177)	(64,247)	(1,039,143)
Reconciliation of funds:						
Total funds brought forward		681,490	(1,582,000)	18,776,912	17,876,402	18,915,545
Total funds carried forward		906,420	(994,000)	17,899,735	17,812,155	17,876,402

ALBAN ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07523557

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	15		17,887,067		18,768,118
Investments	16		1		1
			<u>17,887,068</u>		<u>18,768,119</u>
Current assets					
Stocks	17	24,304		28,373	
Debtors	18	218,650		236,575	
Cash at bank and in hand		1,455,905		1,210,490	
		<u>1,698,859</u>		<u>1,475,438</u>	
Creditors: amounts falling due within one year	19	(779,772)		(785,155)	
Net current assets			<u>919,087</u>		<u>690,283</u>
Total assets less current liabilities			<u>18,806,155</u>		<u>19,458,402</u>
Defined benefit pension scheme liability	28		(994,000)		(1,582,000)
Net assets including pension scheme liabilities			<u><u>17,812,155</u></u>		<u><u>17,876,402</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds excluding pension liability			17,899,735	18,776,912	
Pension reserve			<u>(994,000)</u>	<u>(1,582,000)</u>	
Total restricted income funds			<u>16,905,735</u>		<u>17,194,912</u>
Unrestricted income funds	20		<u>906,420</u>		<u>681,490</u>
Total funds			<u><u>17,812,155</u></u>		<u><u>17,876,402</u></u>

The financial statements on pages 25 to 51 were approved by the Trustees, and authorised for issue, on 15 Dec 2017 and are signed on their behalf, by:



L Keen
Chair of Trustees

ALBAN ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	22	<u>364,651</u>	<u>287,211</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		3,202	7,869
Purchase of tangible fixed assets		(212,576)	(688,106)
Capital grants from DfE/ESFA		90,138	49,155
Capital funding received from sponsors and others		-	353,000
Net cash used in investing activities		<u>(119,236)</u>	<u>(278,082)</u>
Change in cash and cash equivalents in the year		245,415	9,129
Cash and cash equivalents brought forward		<u>1,210,490</u>	<u>1,201,361</u>
Cash and cash equivalents carried forward	23	<u><u>1,455,905</u></u>	<u><u>1,210,490</u></u>

ALBAN ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Alban Academies Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Company status

The academy is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 Going concern

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

ALBAN ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting Policies (continued)

1.4 Income

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

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

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

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

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.

1.5 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the academy 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's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

ALBAN ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. Accounting Policies (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £2,000 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:

Long-term leasehold property	-	2-4% straight line
leasehold improvements	-	10% straight line
Office equipment	-	20% straight line
Computer equipment	-	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.

1.7 Investments

Investments are stated at market value at the balance sheet date. The Statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.9 Stocks

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

1.10 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.

ALBAN ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. Accounting Policies (continued)

1.11 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.

1.12 Liabilities and provisions

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

1.13 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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 18. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.14 Taxation

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

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FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting Policies (continued)

1.15 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 28, 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.

1.16 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities.

The academy trust also acts as an agent in distributing the NCTL's training and salary grant to cover training costs for salaried trainees to achieve qualified teacher status. Grant monies received and the subsequent disbursement to lead school are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The element of grant monies received in relation to staff based at the academy trust has been recognised in the statement of financial activities.

The academy is working with the University of York on a project titled 'Evidence for the Frontline', where the academy is acting as an agent in distributing funds.

The fund received and distributed and any balances held are disclosed in note 24.

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1. Accounting Policies (continued)

1.17 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education and Skills Funding Agency.

Investment income, gains and losses are allocated to the appropriate fund.

1.18 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, 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 2017. 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.

Critical areas of judgment:

The Governors have reviewed the asset lives and residual values of all fixed assets classes, and have concluded that asset lives and residual values are appropriate.

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2. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	33,615	10,317	-	43,932	24,345
Capital grants	-	-	90,138	90,138	402,156
	<u>33,615</u>	<u>10,317</u>	<u>90,138</u>	<u>134,070</u>	<u>426,501</u>
<i>Total 2016</i>	<u>12,513</u>	<u>11,833</u>	<u>402,155</u>	<u>426,501</u>	

3. Income from charitable activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Educational activities	511,684	6,691,838	7,203,522	7,096,841
	<u>511,684</u>	<u>6,691,838</u>	<u>7,203,522</u>	
<i>Total 2016</i>	<u>459,984</u>	<u>6,636,857</u>	<u>7,096,841</u>	

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FOR THE YEAR ENDED 31 AUGUST 2017**

Funding for Academy's educational operations

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	6,155,097	6,155,097	5,949,500
Pupil Premium	-	114,423	114,423	99,177
Other DfE grants	-	6,000	6,000	6,872
NCT grants	-	158,559	158,559	190,176
Other ESFA grants	-	44,567	44,567	46,005
	-	6,478,646	6,478,646	6,291,730
Other government grants				
Other government grants	-	136,620	136,620	129,474
	-	136,620	136,620	129,474
Other funding				
Music income	41,601	1,532	43,133	51,907
Examination income	9,142	-	9,142	14,951
Catering income	-	-	-	19,822
Consortium income	-	63,077	63,077	62,742
Trip income	436,123	-	436,123	371,768
Insurance claim income	20,457	-	20,457	1,830
Other income	4,361	11,963	16,324	152,617
	511,684	76,572	588,256	675,637
Total 2017	511,684	6,691,838	7,203,522	7,096,841
Total 2016	459,984	6,636,857	7,096,841	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

4. Other trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hiring income	210,110	-	210,110	216,321
Theatre income	31,497	-	31,497	23,466
Student activities	103,366	-	103,366	92,348
Other	236,774	-	236,774	238,818
	<u>581,747</u>	<u>-</u>	<u>581,747</u>	<u>570,953</u>
<i>Total 2016</i>	<u>570,953</u>	<u>-</u>	<u>570,953</u>	

5. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	3,202	-	3,202	7,949
	<u>7,949</u>	<u>-</u>	<u>7,949</u>	
<i>Total 2016</i>	<u>7,949</u>	<u>-</u>	<u>7,949</u>	

6. Costs of raising funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Other costs of raising funds	19,807	-	19,807	790
Theatre expenditure	76,210	-	76,210	59,870
Student activities expenditure	77,137	-	77,137	72,855
Community focused costs	9,729	-	9,729	9,656
Costs of raising funds - staff costs	12,484	-	12,484	11,055
	<u>195,367</u>	<u>-</u>	<u>195,367</u>	<u>154,226</u>
<i>Total 2016</i>	<u>154,226</u>	<u>-</u>	<u>154,226</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Direct costs

	Activities £	Total 2017 £	Total 2016 £
Educational supplies	125,089	125,089	155,627
Examination fees	130,846	130,846	127,931
Staff development	30,630	30,630	33,323
Educational consultancy	20,042	20,042	17,299
Trip expenditure	429,745	429,745	372,356
Other costs	95,584	95,584	208,013
Wages and salaries	3,933,822	3,933,822	3,895,989
National insurance	383,354	383,354	320,228
Pension cost	666,631	666,631	658,815
	<u>5,815,743</u>	<u>5,815,743</u>	<u>5,789,581</u>
<i>At 31 August 2016</i>	<u>5,789,581</u>	<u>5,789,581</u>	

8. Support costs

	Activities £	Total 2017 £	Total 2016 £
Pension income	33,000	33,000	34,000
Technology costs	101,605	101,605	124,816
Legal and professional fees	37,629	37,629	31,847
Recruitment	18,004	18,004	7,654
Maintenance of premises	176,472	176,472	130,188
Maintenance of equipment	4,149	4,149	8,385
Cleaning	28,291	28,291	23,849
Water and rates	66,692	66,692	66,314
Energy	120,429	120,429	131,419
Insurance	39,510	39,510	39,239
Security	51,675	51,675	63,956
Trip expenditure	15,220	15,220	11,190
Catering	39,198	39,198	37,185
Bank interest and charges	6,668	6,668	3,616
Other costs	26,903	26,903	37,658
Governance costs	14,287	14,287	14,593
Wages and salaries	567,974	567,974	551,593
National insurance	41,493	41,493	31,164
Pension cost	234,852	234,852	129,345
Depreciation	1,093,627	1,093,627	1,092,569
	<u>2,717,678</u>	<u>2,717,678</u>	<u>2,570,580</u>
<i>At 31 August 2016</i>	<u>2,570,580</u>	<u>2,570,580</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

8. Support costs (continued)

During the year ended 31 August 2017, the academy incurred the following Governance costs: Governance Auditors' non audit costs £4,000 (2016: £4,790), Legal Services £2,782 (2016: £2,553) and Auditor Fees £7,750 (2016: £7,250).

9. Expenditure

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Costs of raising funds	12,484	-	182,883	195,367	154,226
Activities:					
Direct costs	4,983,807	-	831,936	5,815,743	5,789,581
Support costs	844,320	1,493,798	379,560	2,717,678	2,570,580
	<u>5,840,611</u>	<u>1,493,798</u>	<u>1,394,379</u>	<u>8,728,788</u>	<u>8,514,387</u>
<i>Total 2016</i>	<u>5,598,189</u>	<u>1,508,295</u>	<u>1,407,903</u>	<u>8,514,387</u>	

10. Net income/(expenditure)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	1,093,627	1,092,569
Auditor's remuneration - audit	7,750	7,250
Auditor's remuneration - other services	4,000	4,790
	<u>1,105,377</u>	<u>1,104,609</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

11. Staff costs

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	4,498,242	4,434,945
Social security costs	424,848	351,392
Operating costs of defined benefit pension schemes	901,483	788,159
	<u>5,824,573</u>	<u>5,574,496</u>
Apprenticeship levy	2,554	-
Supply teacher costs	13,484	23,693
	<u>5,840,611</u>	<u>5,598,189</u>

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

	2017 No.	2016 No.
Teachers	102	100
Administration and Support	99	94
Management	9	9
	<u>210</u>	<u>203</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	1	2
In the band £110,001 - £120,000	1	1

Of the above employees 2 (2016: 3) participated in the Teachers Pension Scheme. During the year ended 31 August 2017, pension contribution for these staff amounted to £30,197 (2016: £40,481).

The Key Management Personnel of the School comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management for their services to the School was £396,462 (2016: £687,088).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

12. 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:

		2017 £	2016 £
A Gray	Remuneration	110,000-115,000	110,000-115,000
	Pension contributions paid	15,000-20,000	15,000-20,000
K Hay	Remuneration	n/a	0-5,000
	Pension contributions paid	n/a	0-5,000
S Hebb	Remuneration	40,000-45,000	40,000-45,000
	Pension contributions paid	15,000-20,000	5,000-10,000
C Page	Remuneration	n/a	10,000-15,000
	Pension contributions paid	n/a	0-5,000
M Allday	Remuneration	20,000-25,000	n/a
	Pension contributions paid	0-5,000	n/a
M Petersen	Remuneration	n/a	0-5,000
	Pension contributions paid	n/a	0-5,000
A Garland	Remuneration	0-5,000	0-5,000
	Pension contributions paid	0-5,000	0-5,000
R Peacock	Remuneration	20,000-25,000	5,000-10,000
	Pension contributions paid	5,000-10,000	0-5,000
J Jones	Remuneration	40,000-45,000	20,000-25,000
	Pension contributions paid	5,000-10,000	0-5,000

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £NIL to nil Trustees).

13. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period to 31 March 2017 was £1,060 (2016: year £1,818).

The academy trust has opted into the Department for Education's risk protection arrangement (RPA) from 1 April 2017, 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 Governors and officers indemnity element from the overall cost of the RPA scheme.

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Other finance income

	2017 £	2016 £
Interest income on pension scheme assets	39,000	57,000
Interest on pension scheme liabilities	(72,000)	(91,000)
	<u>(33,000)</u>	<u>(34,000)</u>

15. Tangible fixed assets

	Long-term leasehold property £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 September 2016	22,655,826	225,862	228,666	23,110,354
Additions	201,428	-	11,148	212,576
At 31 August 2017	<u>22,857,254</u>	<u>225,862</u>	<u>239,814</u>	<u>23,322,930</u>
Depreciation				
At 1 September 2016	3,984,978	171,207	186,051	4,342,236
Charge for the year	1,036,499	22,294	34,834	1,093,627
At 31 August 2017	<u>5,021,477</u>	<u>193,501</u>	<u>220,885</u>	<u>5,435,863</u>
Net book value				
At 31 August 2017	<u>17,835,777</u>	<u>32,361</u>	<u>18,929</u>	<u>17,887,067</u>
At 31 August 2016	<u>18,670,848</u>	<u>54,655</u>	<u>42,615</u>	<u>18,768,118</u>

16. Fixed asset investments

	Unlisted securities £
Market value	
At 1 September 2016 and 31 August 2017	<u>1</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

17. Stocks

	2017 £	2016 £
Finished goods and goods for resale	<u>24,304</u>	<u>28,373</u>

18. Debtors

	2017 £	2016 £
Trade debtors	94,351	69,408
Other debtors	932	25,591
Prepayments and accrued income	81,472	69,535
Tax recoverable	41,895	72,041
	<u>218,650</u>	<u>236,575</u>

19. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	299,038	172,953
Other taxation and social security	102,419	99,978
Other creditors	213,949	357,461
Accruals and deferred income	164,366	154,763
	<u>779,772</u>	<u>785,155</u>

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	154,763	194,570
Resources deferred during the year	164,366	154,763
Amounts released from previous years	(154,763)	(194,570)
Deferred income at 31 August 2017	<u>164,366</u>	<u>154,763</u>

At the balance sheet date the academy trust was holding grants received in advance for the following academic year. The trust was also holding funds received in advance for trips and clubs booked for the following academic year.

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds	681,490	1,130,248	(738,512)	(166,806)	-	906,420
Restricted funds						
General Annual Grant (GAG)	-	6,155,097	(6,195,591)	40,494	-	-
Pupil Premium	-	114,423	(114,423)	-	-	-
Other ESFA	-	44,567	(44,567)	-	-	-
Other DfE	-	6,000	(6,000)	-	-	-
NCTL Grant	-	158,559	(158,559)	-	-	-
Other Government Grants	-	136,620	(136,620)	-	-	-
Other Restricted Income	-	76,572	(76,572)	-	-	-
Restricted Donations	-	10,317	(10,317)	-	-	-
Pension reserve	(1,582,000)	-	(154,000)	-	742,000	(994,000)
	<u>(1,582,000)</u>	<u>6,702,155</u>	<u>(6,896,649)</u>	<u>40,494</u>	<u>742,000</u>	<u>(994,000)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	18,768,120	62,631	(1,093,627)	149,943	-	17,887,067
ESFA Capital Grants	8,792	27,507	-	(23,631)	-	12,668
	<u>18,776,912</u>	<u>90,138</u>	<u>(1,093,627)</u>	<u>126,312</u>	<u>-</u>	<u>17,899,735</u>
Total restricted funds	<u>17,194,912</u>	<u>6,792,293</u>	<u>(7,990,276)</u>	<u>166,806</u>	<u>742,000</u>	<u>16,905,735</u>
Total of funds	<u>17,876,402</u>	<u>7,922,541</u>	<u>(8,728,788)</u>	<u>-</u>	<u>742,000</u>	<u>17,812,155</u>

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20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
General Funds	501,384	1,051,398	(607,908)	(263,384)	-	681,490
	<u>501,384</u>	<u>1,051,398</u>	<u>(607,908)</u>	<u>(263,384)</u>	<u>-</u>	<u>681,490</u>
Restricted funds						
General Annual Grant (GAG)	71,407	5,949,500	(6,057,719)	36,812	-	-
Pupil Premium	-	99,177	(99,177)	-	-	-
Other ESFA	-	46,005	(46,005)	-	-	-
Other DfE	-	6,872	(6,872)	-	-	-
Other Government Grants	-	129,474	(129,474)	-	-	-
Other Restricted Income	-	215,654	(215,654)	-	-	-
Restricted Donations	-	11,833	(11,833)	-	-	-
Pension reserve	(898,000)	-	(57,000)	-	(627,000)	(1,582,000)
	<u>(826,593)</u>	<u>6,458,515</u>	<u>(6,623,734)</u>	<u>36,812</u>	<u>(627,000)</u>	<u>(1,582,000)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	19,172,583	-	(1,092,569)	688,106	-	18,768,120
ESFA Capital Grants	8,793	49,155	-	(49,156)	-	8,792
HCC Capital grants	59,378	353,000	-	(412,378)	-	-
	<u>19,240,754</u>	<u>402,155</u>	<u>(1,092,569)</u>	<u>226,572</u>	<u>-</u>	<u>18,776,912</u>
Total restricted funds	<u>18,414,161</u>	<u>6,860,670</u>	<u>(7,716,303)</u>	<u>263,384</u>	<u>(627,000)</u>	<u>17,194,912</u>
Total of funds	<u>18,915,545</u>	<u>7,912,068</u>	<u>(8,324,211)</u>	<u>-</u>	<u>(627,000)</u>	<u>17,876,402</u>

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

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

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

The other material restricted general funds represent incoming resources for the following specific purposes:

- a) Delivering Special Provision Locally (DSPL) funding for the purpose of enabling the trust to provide nurture training in local setting for schools from the area.
- b) Other government grants received for the flexible provision of services for secondary aged pupils.
- c) Pupil premium grant allocated to schools with pupils that are known to be eligible for free school meals to raise attainment for pupils from low incomes.

The restricted fixed asset fund includes the freehold land and buildings and all material items of fixtures, fittings and equipment. Depreciation charged on the assets is allocated to the fund.

The pension reserve represents the net deficit on the Local Government Pension Scheme (LGPS) defined benefit pension scheme. The deficit arose because of the pension scheme deficit inherited on conversion and future GAG funding agreed by the Education & Skills Funding Agency is expected to be sufficient to take the fund back into surplus.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

21. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	17,887,068	17,887,068
Fixed asset investments	1	-	-	1
Current assets	955,457	730,734	12,667	1,698,858
Creditors due within one year	(49,038)	(730,734)	-	(779,772)
Provisions for liabilities and charges	-	(994,000)	-	(994,000)
	<u>906,420</u>	<u>(994,000)</u>	<u>17,899,735</u>	<u>17,812,155</u>

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21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2016	2016	2016	2016
	£	£	£	£
Tangible fixed assets	-	-	18,768,119	18,768,119
Fixed asset investments	1	-	-	1
Current assets	788,960	677,683	8,793	1,475,436
Creditors due within one year	(107,471)	(677,683)	-	(785,154)
Provisions for liabilities and charges	-	(1,582,000)	-	(1,582,000)
	<u>681,490</u>	<u>(1,582,000)</u>	<u>18,776,912</u>	<u>17,876,402</u>

22. Reconciliation of net movement in funds to net cash flow from operating activities

	2017	2016
	£	£
Net expenditure for the year (as per Statement of Financial Activities)	(806,247)	(412,143)
Adjustment for:		
Depreciation charges	1,093,627	1,092,569
Dividends, interest and rents from investments	(3,202)	(7,869)
Decrease/(increase) in stocks	4,069	(4,708)
Decrease in debtors	17,924	95,837
Decrease in creditors	(5,382)	(131,320)
Capital grants from DfE and other capital income	(90,138)	(402,155)
FRS102 LGPS actuarial valuation adjustment	154,000	57,000
Net cash provided by operating activities	<u>364,651</u>	<u>287,211</u>

23. Analysis of cash and cash equivalents

	2017	2016
	£	£
Cash in hand	1,455,905	1,210,490
Total	<u>1,455,905</u>	<u>1,210,490</u>

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24. Members' liability

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

25. Related party transactions

Owing to the nature of the academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

During the year ended 31 August 2017, incoming resources totalling £116,690 (2016: £82,138) were recognised from Alban Teaching School Alliance Limited for services rendered and expenditure of £5,241 (2016: £8,337) was paid to Alban Teaching School Alliance. Alban Teaching School Alliance Limited is related by virtue of A Gray, a governor, being a director of Alban Teaching School Alliance Limited. At the year end, there was £3,168 (2016: £5,922) included in trade debtors.

26. Agency Arrangements

The academy trust distributes 16-19 bursary funds to the students as an agent for the ESFA. During the year ended 31 August 2017, the trust received £17,094 (2016: £17,452) and disbursed £19,095 (2016: £14,560) from the fund. Undistributed funds of £891 (2016: £2,892) are included in creditor as at 31 August 2016.

The academy trust distributed training grants to local schools and bursaries to qualifying ITT teachers as an agent for the NCTL. During the year ended 31 August 2017, the trust received £956,400 (2016: £657,087) on behalf of third parties and disbursed £928,885 (2016: £608,548). An amount of £70,050 is included in deferred income for unspent funds and a further £57,192 (2016: £48,536) within other creditors for undistributed bursaries and salary payments as at the year end.

The academy is working with the University of York on a project titled 'Evidence for the Frontline'. As part of this project the academy has recognised income of £nil (2016: £131,383) of which £nil (2016: £54,931) was brought forward from deferred income in the prior year and £nil (2016: £131,383) has been paid out to third parties. An amount of £nil (2016: £1,751) is included in creditors as at the year end.

27. Capital commitments

At 31 August 2017 the academy had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	<u>34,872</u>	<u>-</u>

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28. Pension commitments

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hertfordshire Country 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

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 (currently 14.1%)
- 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%.

During the previous year the employer contribution rate was 14.1%. 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 £560,000 (2016 - £549,000).

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28. Pension commitments (continued)

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 a 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 2017 was £278,000 (2016 - £270,000), of which employer's contributions totalled £224,000 (2016 - £213,000) and employees' contributions totalled £54,000 (2016 - £51,000). The agreed contribution rates for future years are 25.3% for employers and 5.5% - 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:

	2017	2016
Discount rate for scheme liabilities	2.50 %	3.80 %
Rate of increase in salaries	2.50 %	3.60 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	22.5	22.3
Females	24.9	24.5
Retiring in 20 years		
Males	24.1	24.3
Females	26.7	26.7

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28. Pension commitments (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,558,050	1,159,200
Bonds	599,250	515,200
Property	167,790	128,800
Cash	71,910	36,800
Total market value of assets	<u>2,397,000</u>	<u>1,840,000</u>

The actual return on scheme assets was £317,000 (2016 - £236,000).

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

	2017 £	2016 £
Current service cost	(343,000)	(236,000)
Interest income	39,000	57,000
Interest cost	(72,000)	(91,000)
Total	<u>(376,000)</u>	<u>(270,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	3,422,000	2,284,000
Current service cost	343,000	236,000
Interest cost	72,000	91,000
Employee contributions	53,000	51,000
Actuarial (gains)/losses	(464,000)	806,000
Benefits paid	(35,000)	(46,000)
Closing defined benefit obligation	<u>3,391,000</u>	<u>3,422,000</u>

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

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

	2017 £	2016 £
Opening fair value of scheme assets	1,840,000	1,386,000
Interest income	39,000	57,000
Actuarial gains	278,000	179,000
Employer contributions	222,000	213,000
Employee contributions	53,000	51,000
Benefits paid	(35,000)	(46,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	<u>2,397,000</u>	<u>1,840,000</u>

29. Operating lease commitments

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	60,128	34,947
Between 1 and 5 years	82,945	33,043
	<hr/>	<hr/>
Total	<u>143,073</u>	<u>67,990</u>

30. Controlling party

In the opinion of the governors, there is no ultimate controlling party.