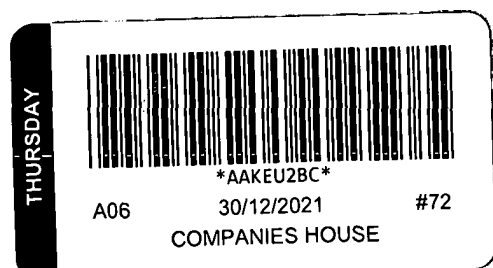


Alban Academies Trust

Annual Report and Financial Statements

For the year ended 31 August 2021

Company Limited by Guarantee
Registration Number
07523557 (England and Wales)



Contents

Reports

Reference and administrative details	1
Trustees' report	7
Governance statement	23
Statement of regularity, propriety and compliance	27
Statement of Trustees' responsibilities	28
Independent auditor's report	29
Independent reporting accountant's report	34

Financial statements

Statement of financial activities	36
Balance sheet	37
Statement of cash flows	38
Principal accounting policies	39
Notes to the financial statements	46

Reference and administrative information

Members	F Letanka D Gibbons J Wright G Copland G Clarke
Trustees	L Keen (Chair) A Gray P Thei (resigned 25.06.2021) J Wright (resigned 20.07.2021) G Comminos J Loukes N Daymond N Leinster R Kennedy R Springall D Strazza P Jones (resigned 11.10.2021) J Rodea (appointed 19.11.2020) J Sweet (appointed 19.11.2020) C Borel-Saladin (appointed 11.11.2021)
Company Secretary	J Shaw
Registered address	Alban Academies Trust The Ridgeway, St Albans, Hertfordshire, AL4 9NX
Company registration number	07523557 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Lloyds Bank Plc, 1 Bancroft, Hitchin, Hertfordshire, SG5 1JG

Reference and administrative information

Solicitors	Browne Jacobson LLP, 6th floor, 77 Gracechurch Street, London, EC3V 0AS
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Reference and administrative information

Executive Leadership Team

CEO	Alan Gray
COO	Julia Shaw
Director of School Improvement	Claire Oakes

Ridgeway Academy (31/08/2021)

Senior Leadership Team

Headteacher	Sarah Mitcherson
Deputy Headteacher	Jackie Smith
Assistant Headteacher	Steven Booth (resigned 31.08.21)
Assistant Headteacher	Lucy Hyde
Assistant Headteacher	Caroline Maddock
Assistant Headteacher	Louise Jessons
Business Manager	Marianna Ring

Sandringham School (31/08/2021)

Senior Leadership Team

Headteacher	Alan Gray
Deputy Headteacher	Caroline Creaby
Deputy Headteacher	Danielle Finlay
Deputy Headteacher	Mark Nicholls
Assistant Headteacher	Mark Allday
Assistant Headteacher	Joanna Cavanagh
Assistant Headteacher	Stuart Kemp
Assistant Headteacher	Kate Mouncey
Assistant Headteacher	Claire Oakes
Assistant Headteacher	Karen Paul
Assistant Headteacher	Athena Pitsillis
Business Manager	Lindsay Miller

Verulam School (31/08/2021)

Senior Leadership Team

Headteacher	Paul Ramsey (resigned 31.08.21)
Deputy Headteacher	Mark Freakley
Assistant Headteacher	Anthony Flack
Assistant Headteacher	Phyllis Avery
Assistant Headteacher	Martin Elmsley
Assistant Headteacher	Fiona Rosler (resigned 31.08.21)
Assistant Headteacher	Dan Tansley
Assistant Headteacher	John Tromans
Business Manager	Kate Locke

Reference and administrative information

Wheatfields Infants' and Nursery

School (31/08/2021)

Senior Leadership Team

Headteacher	Clare Cockburn
Assistant Headteacher	Jayne Nicholl
Assistant Headteacher	Sarah Fitzgerald
Business Manager	Caroline Churchill

Wheatfields Junior Mixed School

(31/08/2021)

Senior Leadership Team

Headteacher	Janice Tearle
Assistant Headteacher	Laura Jablowski
Assistant Headteacher	Penny Laskar-Brown
Business Manager	Liz Kinghorn

RIDGEWAY ACADEMY LOCAL GOVERNING BOARD

As at 31 August 2021

Chair	Anne Garland
Headteacher (ex officio)	Sarah Mitcherson
Governor	Ian Burt
Governor	Elizabeth Tillett
Governor	Ann Wills (resigned 27.05.2021)
Governor	David Clarke
Governor	Dawn Hornsey (resigned 12.07.2021)
Governor	Les Thomas (resigned 27.09.2020)
Governor	Anne Lyons
Governor	Paul McNally
Governor	Charlie Smith
Governor	Sally Parrett
Governor	Catherine Woodward
Governor	David McNally
Governor	Rowena Grace
Governor	Julie Williams
Governor	Becky Sharp (appointed 21.09.2021)
Governor	Nicola Picariello (appointed 08.12.2020)
Governor	Paul Seymour (appointed 09.07.2021)

Reference and administrative information

SANDRINGHAM SCHOOL LOCAL GOVERNING BOARD

As at 31 August 2021

Chair	Anna Cox
Headteacher (ex officio)	Alan Gray
Vice-Chair	Judith Head
Governor	Duncan Gibbons
Governor	Ann Irwin
Governor	Anne Garland
Governor	Clotilde Chohan
Governor	Michael Anfield
Governor	Debbie Carlin
Governor	Emma Walker
Governor	Eileen Kincaid
Governor	Elizabeth Kelly
Governor	Luke Sieger (appointed 02.09.2019 - 01.09.2023)
Governor	Rebecca Veitch (appointed 02.09.2019 - 01.09.2023)
Governor	Stuart Miller (appointed 02.09.2019 - 01.09.2023)
Governor	Christabel Tan (appointed 02.09.2019 - 01.09.2023)
Governor	Isobel Griffiths (appointed 02.09.2019 - 01.09.2023)
Governor	Judith Wickes (appointed 28.02.2020 - 27.02.2024)

VERULAM SCHOOL LOCAL GOVERNING BOARD

As at 31 August 2021

Chair	John Acton
Headteacher ex-officio	Paul Ramsey (resigned 31.08.2021)
Vice-Chair	Melanie Merriden (term ended 31.07.2021)
Governor	Omar Kareem
Governor	Jonathan Pitkin (term ended 31.07.2021)
Governor	Mark Kennedy
Governor	Sarah Brandt
Governor	Simon Threadkell
Governor	Brent Leyshon
Governor	Karen Mills
Governor	Priya Lakhani
Governor	Nigel Gibbins
Governor	Tracey Brodrick
Governor	Ian Caminsky
Governor	David Tansley
Governor	Steve Hiscock
Governor	Tracey Southward (resigned 11.01.2021)
Governor	Syed Hussain (appointed 27.11.2020)
Governor	Vicky O'Kelly (appointed 01.01.2021)
Governor	Emma Drury (appointed 23.02.21)

Reference and administrative information

WHEATFIELDS INFANTS' AND NURSERY SCHOOL LOCAL GOVERNING BOARD

As at 31 August 2021

Chair	Roger Thomas
Headteacher ex-officio	Clare Cockburn
Governor	Rosalind Bushi
Governor	Ruth Maisey
Governor	Heather Molsom
Governor	Dorothy Murray
Governor	Natasha O'Sullivan
Governor	Dhaud Sardar
Governor	Jo Swindells
Governor	Karen Watson

WHEATFIELDS JUNIOR MIXED SCHOOL LOCAL GOVERNING BOARD

As at 31 August 2021

Co-Chair	Suzanne Bigmore
Co-Chair	Suman Ziaullah
Headteacher ex-officio	Janice Tearle
Governor	Karen Awiah
Governor	Mark Bradford
Governor	Sue Burnett
Governor	Helen Trenchard
Governor	Jacqueline Martin
Governor	Timothy Moore
Governor	Lola Idris (appointed 28.10.2020)
Governor	John Roberts (appointed 04.03.2021)
Governor	Kathryn Jones (appointed 04.03.2021)
Governor	Kristen Geach (appointed 04.03.2021)
Governor	Vikki Bullon (leaving date 22.11.2020)
Governor	James Jenkins (leaving date 19.02.2021)

INTRODUCTION

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their annual report together with the audited financial statements and Auditor's report of Alban Academies Trust for the ended 31 August 2021. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law. The Trustees have adopted the provisions of 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) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The Trust operates three secondary and two primary academies in Hertfordshire for pupils aged 4 - 18. Its academies have a combined pupil capacity of 4,338.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 Multi 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 five academies, Ridgeway Academy, Sandringham School, Verulam School, Wheatfields Junior Mixed School and Wheatfields Infants' and Nursery School.

Details of the Trustees who served during the year on the Trust and the details of the Local Governing Boards of Ridgeway Academy, Sandringham School, Verulam School, Wheatfields Junior Mixed School and Wheatfields Infants' and Nursery School are included in the Reference and administrative details on pages 1 to 6.

Members' liability

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

Trustees' Indemnities

In accordance with normal practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions whilst on Academy Trust business.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of Trustees

The management of Alban Academies Trust and Local Governing Boards is the responsibility of the Trustees and Governors who are elected and co-opted under the terms of the Articles of Association.

The members may appoint by ordinary resolution up to 10 Trustees.

The total number of Trustees including the Chief Executive Officer if they so choose to act as Trustee under Article 57 who are employees of the Academy Trust shall not exceed one third of the total number of Trustees.

The Trustees may appoint Co-opted Trustees. A 'Co-opted Trustee' means a person who is appointed to be a Trustee by being Co-opted by Trustees who have themselves been so appointed. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of the total number of Trustees including the Chief Executive Officer to the extent he or she is a Trustee.

At the accounting date the Board of Trustees consisted of five members and fifteen additional Trustees, including the Chief Executive Officer which is ex-officio Trustee role.

The Board of Trustees is selected to ensure that an appropriate skill set for the Trust, providing a wide breadth of talent and expertise which enables the Trust to enhance the opportunities for its staff and pupils.

Policies and procedures adopted for the induction and training of Trustees and Governors

New Trustees and Governors are supported by the Chairs as part of their induction. It is expected that all Trustees/Governors undertake training as appropriate to their role on the Trust Board or Local Governing Board. New Trustees/Governors are recommended to undertake the Hertfordshire County Council induction training for Trustees/Governors and this is supplemented by a governor training programme organised by the Trust which offers sessions by external and "in house" providers throughout the school year.

Each Local Governing Body is responsible for overseeing its Academy's overall management and control with a particular focus on Teaching and Learning. The Trustees meet as the Trust Board at least three times a year; with MAT committees for Resources and Audit, HR and Quality of Education also meeting termly.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Policies and procedures adopted for the induction and training of Trustees and Governors (continued)

The work of reviewing and monitoring the Academy Trust's policies is shared across the Trust with senior leaders and local governors within each school passing comments/recommendations to the Trust Board for final consideration and approval. The terms of reference for the Trust committees and local governing bodies are agreed annually at the first committee meeting of the year. The clerk to the local governing board of Sandringham School, the clerk to the local governing boards of Verulam School, the clerk to Ridgeway Academy, the clerk to Wheatfields Junior Mixed School and the clerk to Wheatfields Infants' and Nursery School are responsible for coordinating the work of their governors and their committees, preparation of agendas, supporting papers and the review of any matters arising. One clerk is also responsible for coordinating the work of the Trust Board and its committees, preparation of agendas, supporting papers and the review of any matters arising. The COO oversees the preparation of the Accounts. The Accounting Officer is responsible for the accounts.

All Trustees/Governors give of their time freely and no remuneration or expenses relating to their activities as Trustees/Governors were paid in the period. Details of the remuneration to the staff Trustee is set out in note 8.

Organisational structure

The Trustees of the Alban Academies Trust constitute the Trust Board, which determines the shared policies across the multi Academy Trust. Trust Board members are appointed on the basis of their skills and experience. Trustees conduct an annual skills audit to assess whether the Board has the necessary skills to oversee the activities of the Trust. Trust Board committee members are drawn from the Trust Board and the central team. Each constituent Academy is governed by a local governing body (effectively the board of governors). The local governing boards determine the policy of their academies, within the overarching policy structure set out by the Trust Board.

The executive team provides experienced and able leadership across the Trust; meeting with the Headteachers, on at least a fortnightly basis.

The day to day running and key drivers of educational achievement in each Academy are delegated by the local governing boards to the Headteachers, who are each supported by a senior leadership team. The Headteachers undertake the key leadership roles within their own academies of overseeing educational, pastoral, human resources and administrative functions in consultation with senior staff. The day to day administration of each Academy is undertaken within the Trust policies and procedures, approved by the local governing body which provide for significant expenditure decisions to be referred to the Trust Board for prior approval.

The Headteachers oversee their school's/academy's recruitment of all staff. The Headteachers are members of their local governing board. The Academy Trust chief executive officer attends all Trust board meetings and Trust committee meetings.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

Responsibilities delegated to senior staff are published annually and distributed to Trustees and members of local governing boards. All members of the senior leadership teams are invited to their own Academy's local governing board meetings as and when appropriate.

Pay policy for key management personnel

The Trustees Pay Committee considers and sets the pay grade and salary for the Chief Executive Officer for the Trust, reporting the outcomes to the Trust Board. The CEO oversees the performance management of the executive team. The CEO's performance management is overseen by the Chair of the Trust Board. The Chair/Pay Committee of Sandringham's governing body reviews his performance as a Headteacher.

Connected organisations, including related party transactions

The CEO, Alan Gray, is a member of a number of professional organisations. He is recognised as a National Leader by the College of School Leadership (NLE) and served on the DfE's Secondary Headteacher's Reference Board. He is also Chair of Hertfordshire's Schools Forum and a Trustee of Saracens High School. This work enables him to keep abreast of current educational matters and to network with other outstanding schools locally, regionally and nationally to share expertise, knowledge and experience.

Sandringham School and Verulam School have a formal partnership with Beaumont School to provide high quality post 16 education to their joint sixth forms. Ridgeway Academy is part of the Welwyn and Hatfield consortium for 6th form.

Sandringham School 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. Sandringham School leads one of the 87 National Teaching School Hubs which is responsible for delivering professional development for teachers, support staff and leaders. The hub covers schools across half of Hertfordshire and ensures the delivery of all DfE requirements for teacher development. They also run the Alban Federation, training teachers of the future as a designated Initial Teacher Training awarding body; they also lead the Research School network, Computing Hub and Ed Tech Demonstrator programmes for this area.

Ridgeway Academy is the hub-site for the Welwyn Hatfield School Sports Partnership which is a collaboration of 33 primary, 8 secondary and 3 special schools. The partnership has School Sports Co-ordinators based in all 4 secondary schools to help increase the opportunities for young people to access high quality PE and school sport across the Welwyn and Hatfield districts.

The following services are provided by Herts for Learning Ltd, a company of which a Trustee is a director, and for which each of the Trust schools are shareholders:

- ◆ HR advisory services;
- ◆ Connectivity and IT support;
- ◆ Governor support;
- ◆ School improvement services

OBJECTIVES AND ACTIVITIES

Objects and aims

Alban Academies Trust object is to provide education for the public benefit in the United Kingdom.

Our aim is to build a learning community of schools to share '**Educational Excellence for Everyone**' in order to be deemed truly 'World Class'.

The Trust is keen for member schools to work together to shape the values, ethos and operation of the MAT. The Trust board and local governing bodies will be jointly responsible for promoting a culture of respect and high expectations, and ensuring that these values are reflected in the way we operate and the policies we support.

Key principles to define our ethos and culture include;

- ◆ Core purpose on achieving the best outcomes for all children served by the Trust;
- ◆ Shared knowledge and Trust to empower everyone built on mutual respect;
- ◆ All academies in the Trust hold the highest expectations of young people and what they can achieve;
- ◆ We actively promote equality at all levels in the Trust;
- ◆ Local governing bodies are in best position to make decisions about their schools - majority of decision making and autonomy rests with individual schools*; and
- ◆ Stakeholder voice is a key ingredient in how we will operate

* Those schools that are in challenging circumstances and join the AAT under a sponsored agreement would have a different balance between centralised control and delegated decision making

To define the values of the Trust, we have adopted the mission statement '**Educational Excellence for Everyone**'.

Objectives, strategies and activities

The vision and strategy for each individual school will be overseen by the local governing body for that school. Alban Academies Trust will also promote a strategic plan that will provide a common goal for all schools in the MAT to adopt. This will be prepared with input from all partners.

Our starting point for the first 5 years will be:

- ◆ To achieve significantly positive outcomes for all young people in our care. The Trust aims to secure consistency across the Trust so that all families can be confident in receiving a high-quality education irrespective of which school in the Trust they attend.

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities (continued)

- ◆ To develop as a small to medium sized MAT, with a membership of between 3 – 10 schools. We will manage any growth in a sustainable fashion so that ethos and culture are kept at the forefront of our principles, and that quality and standards come before size.
- ◆ To serve any type of school, and provide a rich environment for progress whether primary or secondary in nature.
- ◆ To serve a geographical area close to St. Albans to facilitate effective collaboration.
- ◆ To provide a powerful organisation that everyone is proud to be part of and is seen as a model of good practice for others.
- ◆ To enjoy working in partnership and learn constantly from each other.

The above will be achieved through delivering a carefully planned strategy for improvement built on knowledge of where we are starting from and understanding of how to move to where we want to get to. This will involve outstanding leadership at all levels and a relentless focus on doing the right things and doing them well. The Academy Trust's main strategies for Ridgeway Academy, Sandringham School, Verulam School, Wheatfields Infants' and Nursery School and Wheatfields Junior School are outlined in the annual strategic improvement plan.

The COVID-19 virus has affected all schools within the Trust and directly affected the delivery of secondary and primary education to its students. During the period of lockdown in spring 2021 schools undertook virtual teaching until their return in March.

Public Benefit

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commissioner's general guidance on public benefit. With this in mind, the Members and Trustees have invested a significant amount of time developing the Alban Academies Trust (AAT).

This is a Multi Academy Trust set up to serve primary and secondary schools with the aim to build a learning community to share educational excellence for everyone. The cross-phase nature of the Trust is critical to supporting a holistic approach to education, enabling professionals from all phases to share ideas and work together to raise standards. A key aspect of the vision of the Trust is for each school to maintain its own distinctive character and to cherish heritage whilst at the same time seek opportunities to further strengthen culture and ethos across the AAT. This is an exciting opportunity to show how collaborative working can shape and define improvement and provide amazing opportunities for the young people in our care.

STRATEGIC REPORT

Achievements and performance

This year's A level and GCSE results had to be awarded differently from usual, after public examinations were unable to proceed due to Covid-19 restrictions.

Schools were asked to assess students based on evidence of their performance. Schools recorded some assessment evidence centrally; gathered evidence we already had in place; used NEA evidence where possible; generated new assessment evidence through formal internal assessment processes; and made an informed judgement of final grades – Teacher Assessed Grades (TAGs).

Schools were also asked to make sure that, unless there had been major changes in their school this year, the TAGs they submitted would be subject to vigorous moderation processes and would therefore be broadly in line with the institution's previous results in a subject. All schools closely followed Ofqual's guidance on determining TAGs, as required.

Staff worked extremely hard to ensure students were given grades based on the evidence that was submitted and to ensure that students had the best opportunity possible to make strong progress.

For 2021 there is no national data available for any key stage.

Going concern

After making appropriate enquires, 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. As a result of the COVID-19 virus the Trust has faced uncertainties around the level of hiring's income but this has not affected its financial sustainability. 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.

Engagement with Employees Including disabled persons

The Trust has taken the following actions:

- ◆ provided employees with information on matters of concern to them
- ◆ consulted employees regularly so that their views can be considered, both informally and formally by the conducting of an annual staff survey
- ◆ encouraged the involvement of employees
- ◆ sought to improve the well-being of staff through on-going consideration of work-life balance in all decision making
- ◆ involved senior leaders in the planning of Continuing Professional Development for all staff to enhance employee development

STRATEGIC REPORT (continued)

Engagement with Employees Including disabled persons (continued)

The Trust equality policy states that we observe good practices in staff recruitment, retention, and development by ensuring that policies and procedures benefit all employees and potential employees:

- ◆ whether or not they are disabled
- ◆ whatever their ethnicity, culture, religious affiliation, national origin or national status.
- ◆ whatever their gender and sexual identity, and with full respect for legal rights relating to pregnancy and maternity.

Engagement with suppliers, customers and others in a business relationship

The Trust has fostered business relationship with suppliers, customers and others by:

- ◆ conducting regular meetings with suppliers to review contracts/services provided
- ◆ acting according to the PPN notices and giving due consideration of supplier's positions during the Covid-19 pandemic
- ◆ regularly communicating with the school's customers to ensure that they are well informed as to the availability of the school's resources for their usage
- ◆ regularly communicating with students to ensure that they are well informed regarding all school matters
- ◆ regular communications with parents, including daily/weekly updates during summer lockdown.

Promoting the success of the company

The Board of Trustees are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- ◆ the likely consequences of any decision in the long term;
- ◆ the interests of the Company's employees;
- ◆ the need to foster the Company's business relationships with suppliers, customers and others;
- ◆ the impact of the Company's operations on the community and the environment;
- ◆ the desirability of the Company maintaining a reputation for high standards of teaching & learning and business conduct;
- ◆ the need to act fairly between members of the Company.

FINANCIAL REVIEW

The Trust has separate supplemental funding agreements with the ESFA, one for each school, and income is obtained in the form of recurrent grants, the use of which is restricted to particular purposes. All funds received by the Trust are received into the bank account of the Trust and then are distributed to schools. Total net assets, including the pension scheme liability at the end of this reporting period are £60,527,000 (2020 - £52,447,000) and of this net current assets are £3,957,000 (2020 - £2,227,000). The Trust has pension liabilities in relation to staff who are part of the Local Government Pension Scheme of £8,505,000 (2020 - £4,650,000). Further details are included in Note 20.

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 and Audit Committee. The Trust 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.

COVID-19 has presented a unique risk during the year and had an operational and financial impact on all schools. From an operational perspective the schools have dealt with a period of lockdown and a move to virtual learning. Financially hirings income has been affected and additional costs have been incurred. All schools have dealt with these challenges effectively and managed the impact on staff and pupils whilst following the DfE advice to ensure that the required risk assessments are in place to manage to all potential scenarios.

A summary of the key negative impacts are as follows:

- ◆ Impact on students, absent from the physical classroom
- ◆ Impact on students and staff who are now absent from school through illness or under the track and trace system with enforced self-isolation. This has impact on the educational provision within school and the operational support available alongside a financial impact on costs too, for example supply cover.
- ◆ Impact on leaders within the Trust having to manage the health and welfare of their community, ensure that the educational offer is being accessed by all, manage positive cases in school and isolate appropriate individuals who have been in contact, together with subsequent impact on staff and student moral and mental wellbeing.
- ◆ Impact on finances, for example the suspension of lettings, the suspension of wraparound care during national lockdown and the financial impact of continuing to meet staffing costs, additional cleaning resources and additional support for vulnerable families.
- ◆ Impact on IT provision, required to ensure that staff and students have access to remote learning that is effective for their need, to include supplementing government issued devices where possible.

FINANCIAL REVIEW (continued)

Financial risk management objectives and policies (continued)

- ♦ Impact on student recruitment at schools keen to grow numbers in intake years because of the cancellation of Open Evenings for parents to tour the school, meet the staff and see students learning.
- ♦ Impact on the whole school community of the uncertainty around lockdown measures and frequency of them.

They have been some positives from COVID, such as the improvements in remote technology for learning and communication. The remote teaching put in place has been well received by parents. Parents have also been positive with regard to virtual parents evenings and this is a model that schools will look to continue in some capacity going forward.

Schools have received the following funds with regard to Covid-19, which have been disclosed in the notes to the financial statements. These have been utilised as follows:

- ♦ Covid catchup premium - A one-off universal catch-up premium for the 2020/21 academic year to support children and young people at primary and secondary schools to catch up lost time after school closure.
- ♦ COVID-19 exceptional costs funding - Exceptional costs associated with COVID-19 for the period from March to July 2020 for both primary and secondary schools
- ♦ COVID-19 Mass testing funding – Funding to support secondary schools with the costs incurred conducting on-site testing.
- ♦ Summer schools programme fund - Funding for secondary schools to deliver face-to-face summer schools during the 2021 school summer holidays

Principal risks and uncertainties

The Trustees have assessed the major risks to which the Trust is exposed, in particular to those related to the operations and the finances of the Trust and are satisfied that systems and procedures are in place to mitigate our exposure to major risks. The Trust's Resources Committee is charged with the responsibility to consider, and take appropriate action against major risks which could impact the Trust. The Trust also operates systems to assess risks and there are measures in place to minimise these risks. Where the remaining risk is deemed to be significant, the Trust has adequate insurance cover.

The principal risks faced by the Trust include the following:

- ♦ Strategic and reputational - risk associated with under performance of an Academy or a natural disaster;
- ♦ Financial - risk associated with inadequate funding or over spend on capital build;
- ♦ Governance- risk associated with the failure to recruit/retain Trustees/Governors;

FINANCIAL REVIEW (continued)

Principal risks and uncertainties (continued)

- ◆ Operational - risk associated with the loss of assets or with the recruitment and retention of staff;
- ◆ Compliance - risks associated with failure to comply with legislation; and
- ◆ Students - risk associated with the safety and wellbeing of students.

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

Reserves policy

The Trustees have developed a reserve policy for the Trust. This policy states the Trust aims to operate with at least a level of free reserves of around 5% of ESFA funding, which is the approximate amount to cover one month's salaries. The Trust will therefore:

- ◆ Regularly review the nature of income and expenditure streams and the need to match income with commitments.
- ◆ Use excess in year funding to meet the needs of existing students.
- ◆ Separately identify funds for significant projects that cannot be met by future income alone.
- ◆ Consider the Medium Term Financial Strategy and plan for use of reserves to meet expenditure commitments in the short and medium term.
- ◆ Provide short term funding to mitigate future funding turbulence as a result of national funding changes.
- ◆ Provide short term funding to meet expenditure commitments following the removal of funding protection to enable longer term decisions to be made.

The Trust's current level of free reserves is £2,545,000 (2020 - £2,049,000) which excludes restricted and designated funds, fixed asset reserves and the deficit on pension schemes.

There has been a limited impact on the Trust reserves from the COVID-19 virus although schools continue to monitor this impact closely.

Investment Policy

The Trust will ensure that investment risk is properly managed. When considering whether to make an investment, Trustees will:

- ◆ Act within their powers to invest, as set out in our Articles of Association;
- ◆ Exercise caution in all investments, reducing risk and ensuring that the Trust acts with the utmost integrity;

FINANCIAL REVIEW (continued)

Investment Policy (continued)

- ◆ Take investment advice from a professional adviser, as appropriate;
- ◆ Ensure that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximisation; and
- ◆ Ensure that all investment decisions are in the best interests of the Trust and command broad public support.

The Trust will only invest in with banking institutions regulated by the FCA with a rating of at least A.

Principal funding

The majority of the Trust's funding was provided by the Education and Skills Funding Agency (ESFA). The Trust's total income for the year ended 31 August 2021 amounted to £38,238,000, including £11,374,000 related to the transfer of the net assets of Wheatfields Infants School and Wheatfields Junior School into the Trust (2020 – total income of £19,638,000). The Trust received £19,681,000 (2020 - £15,808,000) in the General Annual Grant from the ESFA and £1,907,000 (2020 - £151,000) in capital grants.

The Trust held fund balances of £60,527,000 (2020 - £52,447,000) at 31 August 2021 which includes unrestricted funds of £2,666,000 (2020 - £2,127,000) of which £121,000 (2020 - £78,000) is designated.

FUNDRAISING

The Trust does not currently have any central fundraising activities. It does not use the services of professional fundraisers. The practice that is in place is that schools will individually develop fundraising activities, typically with the assistance of their parent bodies through form PTA events. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The Trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate.

STREAMLINED ENERGY AND CARBON REPORTING

UK energy use and associated greenhouse gas emissions

Annual energy usage and associated annual greenhouse gas ("GHG") emissions are reported pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

STREAMLINED ENERGY AND CARBON REPORTING

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those assets owned or operated within the UK only. This includes all 5 schools controlled during the reporting period along with minibuses and personal vehicles used for business mileage ("grey fleet").

Reporting period

The annual reporting period is 1 September to 31 August each year and the energy and carbon emissions are aligned to this period.

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2021 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity and gas consumption were compiled from invoice records. Odometer readings and fuel records were used to calculate usage of minibuses, while mileage claims were used to calculate usage associated with grey fleet. Generally gross calorific values were used except for grey fleet mileage energy calculations as per Government GHG Conversion Factors.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of Trust activities (scope 3).

Breakdown of energy consumption used to calculate emissions (kWh):

Energy type	2019/20	2020/21
Mandatory requirements:		
Gas	3,861,846	4,786,881
Purchased electricity from the grid	1,450,531	1,749,822
Transport fuel	29,002	22,374
Total energy (mandatory)	5,341,380	6,559,077

STREAMLINED ENERGY AND CARBON REPORTING (continued)

Breakdown of emissions associated with the reported energy use (tCO₂e):

Emission source	2019/20	2020/21
Mandatory requirements:		
<u>Scope 1</u>		
Natural gas	710.1	876.8
Transport - Company owned vehicles (mini-buses)	6.6	5.4
<u>Scope 2</u>		
Purchased electricity (location-based)	338.2	371.5
<u>Scope 3</u>		
Transport – Business travel in employee-owned vehicles	0.6	0.1
Total gross emissions (mandatory)	1,055.4	1,253.8
<u>Intensity ratios (mandatory emissions only)</u>		
Tonnes of CO ₂ e per pupil	0.315	0.307
Tonnes of CO ₂ e per square meter floor area	0.034	0.035

Intensity ratio

Two intensity ratios are reported showing emissions (tCO₂e) per pupil and per square meter floor area.

Emissions per pupil is the recommended ratio for the sector for consistency and comparability and pupil numbers are based on the Autumn census of the respective year. Emissions per square meter floor area is reported to reflect the energy efficiency of the buildings, which are the source of the majority of emissions.

Energy efficiency action during current financial year

The Trust is committed to reducing longer term emissions and practices good energy management. For example, electricity, gas and water use is monitored using the 'Optimal' metering system at Sandringham School and Wheatfields Infants School, enabling the quick identification of abnormally high usage. This system detected a water leak at Sandringham School this year that has since been fixed. Heating, lighting and electrical items are also closely controlled and not left on unnecessarily by staff across all sites; however, the requirement to open windows and doors to improve ventilation as a COVID-19 precautionary measure means there was increased heating demand this year.

STREAMLINED ENERGY AND CARBON REPORTING (continued)

Energy efficiency action during current financial year(continued)

These ongoing actions have been built upon this year by the implementation of the following energy efficiency measures:

- ♦ Lighting has been upgraded to energy efficient LED lighting across Ridgeway Academy, Sandringham School and Verulam School in August 2021.
- ♦ Curtain walling has been upgraded in G Block at Sandringham School, improving thermal efficiency.
- ♦ More efficient electric on-demand hot water systems were installed at Sandringham School as part of a toilet and washroom area refurbishment.

Furthermore, Sandringham School pupils planted in excess of 800 trees this year that were donated by the Woodland Trust as part of their geography lessons. This promoted sustainability with pupils and will provide a long-term connection to and improvement for the local environment and biodiversity.

PLANS FOR FUTURE PERIODS

Future developments

Strategic plans are in place to ensure capacity and sustainability are maintained. The objectives for the coming year are:

Centres of Excellence

- ♦ Improve the progress made by all students so that the standards reached are outstanding across the Alban Academies Trust.
- ♦ Ensure that safeguarding practices across the Alban Academies Trust are of exemplary standard and are implemented accordingly within a culture of ongoing review and development.
- ♦ To embed a programme of peer support and verification to ensure that all schools within the Alban Academies Trust have systems and practices in place to ensure that they become centres of excellence.
- ♦ Develop and deliver a Trust model that meets the professional development needs of all staff within the Trust.

Collaboration

- ♦ Develop opportunities for school to school support allowing staff to share expertise and skills across the Alban Academies Trust.
- ♦ Develop a student entitlement for extra-curricular activities and opportunities that promote resilience and build character across the Alban Academies Trust.
- ♦ Continue to improve the wellbeing of all staff across the Trust.

PLANS FOR FUTURE PERIODS (continued)

Resources

- ◆ Compliance with the Master Funding Agreement and the Academies Financial Handbook.
- ◆ Investigate processes and options to improve financial efficiency of the Trust.
- ◆ Develop and implement Trust wide ICT strategy and programme to continually improve ICT hardware and software to deliver desired outcomes.
- ◆ Produce and implement an estates strategy.
- ◆ Investigate further funding opportunities where applicable.

Leadership & Governance

- ◆ Develop and deliver a programme to meet the development needs of the local governors and Trustees.

Growth

- ◆ Ensure the Alban Academies Trust has management capacity to deliver sustained improvement and growth
- ◆ Further develop relationships with other schools/academies and MAT's including the conversion of Skyswood School into the Trust

FUNDS HELD AS CUSTODIAN

As a Teaching School Hub 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 for ensuring that these funds are distributed appropriately and within the agreed timescales. All schools in the Trust are 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.

AUDITOR

In so far as the Trustees are aware:

- ◆ there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ that Trustees have taken all steps that they ought to have 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 16.12.2021 and signed on its behalf by:



L Keen - Chair of Trustees

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 CEO of Alban Academies Trust, 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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for 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 formally met four times during the year. Attendance during the year at meetings of the Trust Board was as follows:

Governor	Meetings attended	Out of a possible
A Gray (CEO)	4	4
L Keen (Chair)	4	4
P Thei	3	3
J Wright	3	4
G Comminos	4	4
J Loukes	4	4
N Daymond	4	4
N Leinster	4	4
D Strazza	4	4
R Kennedy	3	4
R Springall	4	4
P Jones	1	4
J Rodea	3	3
J Sweet	2	3

The Board of Trustees is selected to ensure an appropriate skill set for the Trust, providing a wide breadth of talent and expertise which enables the Trust to enhance the opportunities for staff and pupils. During the year two Trustees resigned and two new Trustees were appointed.

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

Governance (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
G Comminos (Chair)	3	3
L Keen	3	3
N Leinster	2	3
R Kennedy	3	3
A Gray	3	3
J Rodea	3	3

Review of Value for Money

Due to COVID-19, there have been circumstances whereby the principles of PPN 02/20 and 04/20 have been applied, specifically with regard to school caterers. In these circumstances the Trust has taken note of the guidance and DfE advice in order to ensure that suppliers are supported appropriately.

As accounting officer, the CEO 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:

- ◆ The size and reputation of the Trust - this has enabled the Trust to negotiate improved service standards from a number providers.
- ◆ Economies of scale – these have been achieved in contract negotiations by agreeing contracts and arrangements common to all schools. An example is the procurement of insurance and MIS.
- ◆ Cost effective purchasing – the schools regularly benchmark financial performance against one another. 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 remain competitive. Government frameworks are used by all schools to ensure that the best prices are obtained.
- ◆ Maximising income generation – the schools explore every opportunity to generate income through hire of school's facilities. Referrals are made within the Trust which has increased hiring income at schools with spare capacity.

Review of Value for Money (continued)

- ◆ Reviewing controls and managing risks - monthly budget monitoring reports are produced and reviewed by the Business Managers and the Heads and any necessary remedial action is taken to address any significant variances that may have an impact on the budget out-turn. Forecasts are compiled using a commonly agreed set of assumptions and principles to ensure consistency. We also continually monitor processes with the intention of achieving greater efficiencies that also lead to cost reductions. Trustees have agreed a risk register which details all potential financial and business risks, considers their impact and details mitigating measures to reduce risk exposure.

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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Trust Board 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 is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trust Board.

The risk and control framework

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

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trust Board;
- ◆ regular reviews by Trustees 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; and
- ◆ identification and management of risks.

The risk and control framework (continued)

The Trust Board has considered the need for a specific internal audit function and has decided to appoint a local accounting firm as internal auditors, who in term will report to the Resources Committee and Chair of Trustees. The Trusts arrangements for internal scrutiny are unaffected by the newly revised FRC ethical standard. The Trust's current auditors are engaged for external audit services only.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academies financial systems. On an annual basis, the auditor reports to the Trust Board through the resources committee on the operation of the systems of control and on the discharge of the Trust Board's 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.

Review of effectiveness

As Accounting Officer, the CEO of Alban Academies Trust 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 Trust who have responsibility for the development and maintenance of the internal control framework.

New Academies in the period

Wheatfields Infants' and Nursery School and Wheatfields Junior School joined the Trust during this accounting period. A review of their systems of internal control has taken place and they were found to be effective.

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 Trust Board on 16.12.2021 and signed on their behalf by:



L Keen
(Chair of Trustees)



Alan Gray
Accounting Officer

Statement of regularity, propriety and compliance 31 August 2021

As Accounting Officer of Alban Academies Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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 2020.

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 handwritten signature in black ink, appearing to read 'Alan Gray', with a stylized flourish at the end.

A Gray

Accounting Officer

Date: 16.12.2021

Statement of trustees' responsibilities 31 August 2021

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

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

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in the Charities' SORP and the Academies Accounts Direction 2020 to 2021;
- ♦ make judgments and accounting estimates that are reasonable and prudent;
- ♦ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ♦ 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 16.12.2021 and signed on its behalf by:



L Keen - Chair of Trustees

Independent auditor's report 31 August 2021

Independent auditor's report to the members of Alban Academies Trust

Opinion

We have audited the financial statements of Alban Academies Trust (the 'charitable company') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP 2019) and the Academies Accounts Direction 2020 to 2021.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its income and expenditure for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Conclusions relating to going concern (continued)

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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 other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions 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, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ♦ the Trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the strategic report.

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

- ♦ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ♦ the financial statements are not in agreement with the accounting records and returns; or

Matters on which we are required to report by exception (continued)

- ◆ certain disclosures of Trustees' remuneration specified by law are not made;
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Trustees either intend to liquidate the charitable company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge of the Academy Trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2020 to 2021, the Academies Financial Handbook 2020, and the Academy Trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of Trustees' meetings and papers provided to the Trustees.
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of Trustees' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

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

Use of our report

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

20.12.2021

Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Independent reporting accountant's report 31 August 2021

Independent reporting accountant 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 9 August 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 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 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 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Independent reporting accountant's report 31 August 2021.

Approach (continued)

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

The work undertaken to draw 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Buzzacott LLP

20.12.2021

Reporting Accountant
Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Statement of financial activities (including income and expenditure account) Year to 31 August 2021

	Notes	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset Funds £'000	2021 Total funds £'000	2020 Total funds £'000
Income from:						
Donations and capital grants	1	178	—	1,907	2,085	183
Transfer on conversion		547	(1,045)	11,872	11,374	—
Charitable activities	2	395	23,193	—	23,588	18,593
Other trading activities	3	1,190	—	—	1,190	856
Investments	4	1	—	—	1	6
Total income		2,311	22,148	13,779	38,238	19,638
Expenditure on:						
Raising funds		111	—	—	111	134
Charitable activities		—	24,357	3,817	28,174	25,343
Total expenditure	5	111	24,357	3,817	28,285	25,477
Net (expenditure) income before transfers		2,200	(2,209)	9,962	9,953	(5,839)
Transfers between funds	16	(1,661)	415	1,246	—	—
Net (expenditure) income before other recognised gains and losses		539	(1,794)	11,208	9,953	(5,839)
Actuarial gains (losses) on defined benefit pension scheme	20	—	(1,873)	—	(1,873)	70
Net movement in funds		539	(3,667)	11,208	8,080	(5,769)
Reconciliation of funds						
Total fund balances brought forward at 1 September 2020		2,127	(4,550)	54,870	52,447	58,216
Total fund balances carried forward at 31 August 2021		2,666	(8,217)	66,078	60,527	52,447

All of the Trust's activities derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the Statement of Financial Activities.

Balance sheet 31 August 2021

	Notes	2021		2020	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	12		<u>65,371</u>		<u>54,870</u>
			65,371		54,870
Current assets					
Debtors	13	1,707		915	
Cash at bank and in hand		<u>5,664</u>		<u>3,518</u>	
		7,371		4,433	
Liabilities					
Creditors: amounts falling due within one year	14	<u>(3,414)</u>		<u>(2,206)</u>	
Net current assets			3,957		2,227
Total assets less current liabilities			69,328		57,097
Creditors: amounts falling due after one year	15		(296)		—
Defined benefit pension scheme liability	20		<u>(8,505)</u>		<u>(4,650)</u>
Net assets including pension scheme liabilities			<u>60,527</u>		<u>52,447</u>
Funds of the Academy					
Restricted income funds					
. Fixed asset fund		66,078		54,870	
. Restricted income fund		288		100	
. Pension reserve		<u>(8,505)</u>		<u>(4,650)</u>	
			57,861		50,320
Unrestricted income funds	16				
. Designated funds		121		78	
. General funds		<u>2,545</u>		<u>2,049</u>	
			2,666		2,127
Total funds			<u>60,527</u>		<u>52,447</u>

The financial statements on page 36 to 65 were approved by the Trustees, authorised for issue and are signed on their behalf by:



L Keen
Chair of Trustees
Alban Academies Trust

Approved on: 16.12.2021

Company Limited by Guarantee
Registration Number: 07523557 (England and Wales)

Statement of cash flows Year to 31 August 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Net cash provided by operating activities	A	2,684	984
Cash flows from investing activities:			
Dividends, interest and rents from investments		1	6
Purchase of tangible fixed assets		(2,446)	(1,850)
Capital grants from DfE		1,907	151
Net cash used in investing activities		(538)	(1,693)
Change in cash and cash equivalents in the year		2,146	(709)
Cash and cash equivalents brought forward		3,518	4,227
Cash and cash equivalents carried forward	B	5,664	3,518

A. Reconciliation of net income (expenditure) to net cash flow provided by operating activities

	2021 £'000	2020 £'000
Net (expenditure) income for the year (as per statement of financial activities)	9,953	(5,839)
Adjustment for:		
Inherited pension deficit	1,045	—
Inherited tangible assets	(11,872)	—
Depreciation charges	3,817	5,386
Dividends, interest and rents from investments	(1)	(6)
(Increase) decrease in debtors	(792)	1,377
Increase (decrease) in creditors	1,504	(482)
Capital grants from DfE and other capital income	(1,907)	(151)
Defined benefit scheme finance cost	104	77
Defined benefit pension scheme service cost less contributions paid	833	622
Net cash provided by operating activities	2,684	984

B. Analysis of cash and cash equivalents

	2021 £'000	2020 £'000
Cash in hand	5,664	3,518
Total	5,664	3,518

C. Analysis of changes in net debt

	At 1 September 2020 £'000	Cash flows £'000	At 31 August 2021 £'000
Cash	3,518	2,146	5,664
Loans falling due within one year	—	(64)	(64)
Loans falling due after more than one year	—	(296)	(296)
Total	3,518	1,786	5,304

Principal accounting policies 31 August 2021

Statement of 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.

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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are presented in sterling and rounded to the nearest thousand.

Company status

The Academy Trust is a company limited by guarantee. The members of the company are those listed in page 1. In the event of the Academy Trust being wound up, the liability in respect of the guarantee is limited to £10 per member of the Academy Trust.

Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements. In making their assessment, the Trustees have considered the impact of Covid-19.

Income

All income is recognised once each 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.

Principal accounting policies 31 August 2021

Income (continued)

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.

Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

Tangible fixed assets

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:

- ♦ Leasehold property 4% straight line
- ♦ Leasehold improvements 10% straight line
- ♦ Computer equipment 33% straight line
- ♦ Motor vehicles 10% 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.

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.

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.

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.

Principal accounting policies 31 August 2021

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.

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.

Liabilities and provisions

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

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. 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.

Principal accounting policies 31 August 2021

Taxation

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

Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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.

Principal accounting policies 31 August 2021

Agency arrangements (continued)

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.

Fund accounting

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

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

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

Designated funds represent those funds set aside for the future replacement of the surfaces of 39 pitches at Sandringham School and Ridgeway Academy.

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

Critical accounting estimates and areas of judgement

Estimates and judgements 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 20, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

Principal accounting policies 31 August 2021

Critical accounting estimates and areas of judgement (continued)

Critical areas of judgement

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

Notes to the financial statements Year to 31 August 2021

1 Income from donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2021 Total funds £'000	2020 Total funds £'000
Other donations	178	—	—	178	32
Capital grants	—	—	1,907	1,907	151
	178	—	1,907	2,085	183

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2020 Total funds £'000
Other donations	32	—	—	32
Capital grants	—	—	151	151
	32	—	151	183

2 Funding for Academy's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000	2020 Total funds £'000
DfE/ESFA grants				
General Annual Grant (GAG)	—	19,681	19,681	15,808
Pupil premium	—	658	658	407
Other DfE/ESFA grants				
· UIFSM	—	110	110	—
Other DfE Group grants	—	1,332	1,332	1,013
	—	21,781	21,781	17,228
Other government grants				
Local Authority grants	—	621	621	322
NCTL grant	—	—	—	68
Sport England	—	37	37	24
SSCO	—	23	23	—
Bursary funding	—	—	—	29
Others	—	176	176	—
	—	857	857	443
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	—	271	271	—
Other DfE/ESFA COVID-19 funding	—	281	281	54
COVID-19 additional funding (non-DfE/ESFA)				
Coronavirus Job Retention Scheme grant	—	3	3	—
Other funding				
Other income	395	—	395	868
	395	23,193	23,588	18,593

The Trust received £270,920 of funding for catch-up premium and costs incurred in respect of this funding totalled £158,955, with the remaining £111,965 to be spent in 2021/22.

Notes to the financial statements Year to 31 August 2021

2 Funding for Academy's educational operations (continued)

The Trust furloughed some of its sports centre staff under the government's CJRS. The funding received of £2,853 relates to staff costs in respect of five staff which are included within note 7 as appropriate.

*Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the Academy Trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>2020 Total funds £'000</i>
DfE/ESFA grants			
General Annual Grant (GAG)	—	15,808	15,808
Pupil premium	—	407	407
Other DfE/ESFA grants	—	1,013	1,013
	<u>—</u>	<u>17,228</u>	<u>17,228</u>
Other government grants			
Local Authority grants	—	322	322
NCTL grant	—	68	68
Sport England	—	24	24
Bursary funding	—	29	29
	<u>—</u>	<u>443</u>	<u>443</u>
COVID-19 additional funding (DfE/ESFA)			
Other DfE/ESFA COVID-19 funding	—	54	54
	<u>—</u>	<u>—</u>	<u>—</u>
Other funding			
Other income	868	—	868
	<u>868</u>	<u>17,725</u>	<u>18,593</u>

The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- ♦ The funding received for coronavirus exceptional support covers £54,791 of costs relating to additional cleaning equipment and supplies, as well as free school meal vouchers. These costs are included in notes 5 and 6 below as appropriate.

Notes to the financial statements Year to 31 August 2021

3 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000	2020 Total funds £'000
Hire of facilities	265	—	265	320
Miscellaneous income	925	—	925	537
	1,190	—	1,190	857

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000
Hire of facilities	320	—	320
Miscellaneous income	537	—	537
	857	—	857

4 Investment income

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000	2020 Total funds £'000
Investment income	1	—	1	6

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000
Investment income	6	—	6

5 Expenditure

	Staff costs £'000	Premises £'000	Other costs £'000	2021 Total funds £'000	2020 Total funds £'000
Expenditure on raising funds					
· Direct costs	—	—	79	79	98
· Allocated support costs	16	10	6	32	36
Academy's educational operations					
· Direct costs	16,168	2,867	1,131	20,166	17,552
· Allocated support costs	4,051	2,378	1,579	8,008	7,791
	20,235	5,255	2,795	28,285	25,477

Notes to the financial statements Year to 31 August 2021

5 Expenditure (continued)

	Staff costs £'000	Premises £'000	Other costs £'000	2020 Total funds £'000
<i>Expenditure on raising funds</i>				
. Direct costs	—	—	98	98
. Allocated support costs	19	7	10	36
<i>Academy's educational operations</i>				
. Direct costs	12,647	4,039	866	17,552
. Allocated support costs	3,354	2,601	1,836	7,791
	<u>16,020</u>	<u>6,647</u>	<u>2,810</u>	<u>25,477</u>

This is stated after charging:

	2021 £'000	2020 £'000
Operating lease rentals	45	49
Depreciation	3,817	5,386
Auditor's remuneration – audit	18	17
Auditor's remuneration – other services	13	7

6 Charitable activities - Academy's educational operations

	2021 Total funds £'000	2020 Total funds £'000
Direct costs	20,166	17,552
Support costs	8,008	7,791
	<u>28,174</u>	<u>25,343</u>

	2021 Total funds £'000	2020 Total funds £'000
Analysis of support costs		
Support staff costs	4,051	3,354
Depreciation	951	1,347
Technology costs	260	253
Premises costs	1,427	1,254
Legal costs – other	13	9
Other support costs	1,270	1,546
Governance costs	36	28
Total support costs	<u>8,008</u>	<u>7,791</u>

Notes to the financial statements Year to 31 August 2021

7 Staff

(a) Staff costs

Staff costs during the year were:

	2021 Total funds £'000	2020 Total funds £'000
Wages and salaries	14,581	11,525
Social security costs	1,442	1,210
Pension costs	4,117	3,257
	20,140	15,992
Supply teacher costs	95	28
	20,235	16,020

(b) Staff numbers

The average numbers of persons (including senior management team) employed by the Academy Trust during the year was as follows:

Charitable activities	2021 No.	2020 No.
Teachers	255	239
Administration and support	315	254
Management	33	27
	603	520

(c) Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) fell within the following bands was:

	2021 No.	2020 No.
£60,001 - £70,000	7	6
£70,001 - £80,000	5	1
£80,001 - £90,000	1	1
£100,001 - £110,000	1	1
£120,001 - £130,000	—	1
£130,001 - £140,000	1	—

Of the above employees 14 (2020: 9) participated in the Teachers' Pension Scheme. During the year ended 31 August 2021, pension contribution for these staff amounted to £195,313 (2020: £83,692).

(d) Key management personnel

The key management personnel of the Academy Trust comprise the Trustees, the senior management team as listed on page 3 and the headteacher of each of the five schools within the Trust. The total amount of employee benefits (including employers pension and national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,441,878 (2020: £914,603).

Notes to the financial statements Year to 31 August 2021

8 Trustees' remuneration and expenses

One Trustee was paid remuneration or has received other benefits from an employment with the Academy Trust. The CEO only receives remuneration in respect of services he provides undertaking the role of CEO under his contract of employment, and not in respect of his role as Trustee. The value of Trustees' remuneration and other benefits was as follows:

	2021 £	2020 £
A Gray		
Remuneration	130,000 – 135,000	125,000 - 130,000
Pension contributions paid	—	—

During the year ended 31 August 2021, no Trustee received any reimbursement of expenses (2020: none).

9 Trustees' and officers' insurance

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

Notes to the financial statements Year to 31 August 2021

10 Comparative statement of financial activities

Analysis of income and expenditure in the year ended 31 August 2020 between restricted and unrestricted funds:

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2020 Total funds £'000
<i>Income from:</i>				
Donations and capital grants	32	—	151	183
Transfer on conversion	—	—	—	—
Transfer on academies joining the Trust	—	—	—	—
Charitable activities	868	17,725	—	18,593
Other trading activities	856	—	—	856
Investments	6	—	—	6
Total income	1,762	17,725	151	19,638
<i>Expenditure on:</i>				
Raising funds	134	—	—	134
Charitable activities	1,657	18,300	5,386	25,343
Total expenditure	1,791	18,300	5,386	25,477
<i>Net (expenditure) income before transfers</i>	(29)	(575)	(5,235)	(5,839)
<i>Transfers between funds</i>	(513)	(217)	730	—
<i>Net (expenditure) income before other recognised gains and losses</i>	(542)	(792)	(4,505)	(5,839)
<i>Actuarial gains (losses) on defined benefit pension scheme</i>	—	70	—	70
Net movement in funds	(542)	(722)	(4,505)	(5,769)
<i>Reconciliation of funds</i>				
Total fund balances brought forward at 1 September 2019	2,669	(3,828)	59,375	58,216
Total fund balances carried forward at 31 August 2020	2,127	(4,550)	54,870	52,447

11 Central services

The Company has provided the following central services to its academies during the period.

- ♦ Leadership and management;
- ♦ Financial services;
- ♦ HR services;
- ♦ IT services; and
- ♦ School improvement services.

All other services are split equally between the six academies.

Notes to the financial statements Year to 31 August 2021

11 Central services (continued)

The actual amounts charged during the year were as follows:

	2021 Total £'000	2020 Total £'000
Verulam Trust	88	70
Ridgeway School	85	70
Sandringham School	94	70
Wheatfields Juniors	15	—
Wheatfields Infants	13	—
	295	210

12 Tangible fixed assets

	Freehold property £'000	Leasehold property £'000	Furniture and equipment £'000	Computer equipment £'000	Motor Vehicles £'000	Total £'000
Cost						
At 1 September 2020	3,215	63,996	1,083	1,127	42	69,463
Donated assets on conversion	—	11,872	—	—	—	11,872
Additions	401	1,499	219	317	10	2,446
At 31 August 2021	3,616	77,367	1,302	1,444	52	83,781
Depreciation						
At 1 September 2020	1,526	11,446	688	911	22	14,593
Charge for the year	340	3,103	169	199	6	3,817
At 31 August 2021	1,866	14,549	857	1,110	28	18,410
Net book value						
At 31 August 2021	1,750	62,818	445	334	24	65,371
At 31 August 2020	1,689	52,550	395	216	20	54,870

During the prior year, the useful economic lives of fixed assets across the Trust were aligned, resulting in a one-off additional charge in Sandringham and Verulam Schools.

Buildings transferred upon conversion

During 2020/21 two academies joined the Trust and were transferred from the local authorities (2019/20 – nil). The value of the buildings transferred on conversion is included within tangible fixed assets. Further details of this transfer are included in note 24.

13 Debtors

	2021 £'000	2020 £'000
Trade debtors	286	334
Other debtors	420	155
Prepayments and accrued income	753	161
Tax recoverable	248	265
	1,707	915

Notes to the financial statements Year to 31 August 2021

14 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	1,034	527
Other taxation and social security	348	278
Loan	64	—
Other creditors	576	615
Accruals and deferred income	1,392	786
	3,414	2,206

	2021 £'000	2020 £'000
Deferred income		
Deferred income at 1 September 2020	723	700
Resources deferred during the year	1,122	723
Amounts released from previous years	(723)	(700)
Deferred income at 31 August 2021	1,122	723

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.

15 Creditors: amounts falling after one year

	2021 £'000	2020 £'000
Loans:		
Within 1-5 years	296	—
	296	—

Creditors due after one year relate to £80,000 of CIF loans and £216,000 of Salix loans.

Notes to the financial statements Year to 31 August 2021

16 Funds

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
Restricted general funds					
General Annual Grant (GAG)	—	19,681	(20,096)	415	—
Pupil Premium	59	658	(567)	—	150
Covid-19 catch up funding	—	271	(159)	—	112
UFSM	—	110	(110)	—	—
Other DfE/ESFA COVID-19 funding	—	281	(255)	—	26
Coronavirus Job Retention Scheme grant	—	3	(3)	—	—
Other grants	14	1,531	(1,545)	—	—
Bursary	13	—	(13)	—	—
Sport England	14	37	(51)	—	—
Local authority grants	—	621	(621)	—	—
Pension reserve	(4,650)	(1,045)	(937)	(1,873)	(8,505)
	<u>(4,550)</u>	<u>22,148</u>	<u>(24,357)</u>	<u>(1,458)</u>	<u>(8,217)</u>
Restricted fixed asset funds					
Transfer on conversion	54,158	11,872	(3,443)	—	62,587
DfE/ESFA capital grants	186	1,907	(98)	—	1,995
Assets funded by revenue funds	526	—	(276)	1,246	1,496
	<u>54,870</u>	<u>13,779</u>	<u>(3,817)</u>	<u>1,246</u>	<u>66,078</u>
Total restricted funds	<u>50,320</u>	<u>35,927</u>	<u>(28,174)</u>	<u>(212)</u>	<u>57,861</u>
General funds	2,049	2,311	(111)	(1,704)	2,545
Designated funds	78	—	—	43	121
Total unrestricted funds	<u>2,127</u>	<u>2,311</u>	<u>(111)</u>	<u>(1,661)</u>	<u>2,666</u>
Total funds	<u>52,447</u>	<u>38,238</u>	<u>(28,285)</u>	<u>(1,873)</u>	<u>60,527</u>

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 Trust 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 Trust.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

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

Notes to the financial statements Year to 31 August 2021

16 Funds (continued)

- ◆ Other government grants received for the flexible provision of services for secondary aged pupils.
- ◆ 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 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

Fixed asset fund

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.

Designated funds

During the year the Trustees took the decision to set aside an additional amount of £43,000 (2020: £34,000) for future replacement of the surfaces of the 3G pitches at Sandringham School and Ridgeway Academy.

Notes to the financial statements Year to 31 August 2021

16 Funds (continued)

Comparative information

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

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	—	15,808	(15,591)	(217)	—
Pupil Premium	—	407	(348)	—	59
Other DfE/ESFA COVID-19 funding	—	54	(54)	—	—
Other restricted funds	165	1,403	(1,554)	—	14
Bursary	14	29	(30)	—	13
Sport England	14	24	(24)	—	14
Pension reserve	(4,021)	—	(699)	70	(4,650)
	<u>(3,828)</u>	<u>17,725</u>	<u>(18,300)</u>	<u>(147)</u>	<u>(4,550)</u>
Restricted fixed asset funds					
Transfer on conversion	57,912	—	(5,386)	1,632	54,158
DfE/ESFA capital grants	35	151	—	—	186
Assets funded by revenue funds	—	—	—	526	526
HCC Capital grants	1,428	—	—	(1,428)	—
	<u>59,375</u>	<u>151</u>	<u>(5,386)</u>	<u>730</u>	<u>54,870</u>
Total restricted funds	<u>55,547</u>	<u>17,876</u>	<u>(23,686)</u>	<u>583</u>	<u>50,320</u>
General funds	2,625	1,762	(1,791)	(547)	2,049
Designated funds	44	—	—	34	78
Total unrestricted funds	<u>2,669</u>	<u>1,762</u>	<u>(1,791)</u>	<u>(513)</u>	<u>2,127</u>
Total funds	<u>58,216</u>	<u>19,638</u>	<u>(25,477)</u>	<u>70</u>	<u>52,447</u>

Notes to the financial statements Year to 31 August 2021

16 Funds (continued)

Analysis of fund balance by Academy

	2021 £'000	2020 £'000
Fund balances at 31 August 2021 were allocated as follows:		
Alban Academies Trust	564	716
Sandringham School	683	676
Verulam School	767	807
Ridgeway Academy	277	28
Wheatfields Infants	314	—
Wheatfields Juniors	349	—
Total before fixed asset fund and pension reserve	2,954	2,227
Restricted fixed asset fund	66,078	54,870
Pension reserve	(8,505)	(4,650)
Total	60,527	52,447

Analysis of academies by cost

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	2021 Total £'000	2020 Total £'000
Alban Academies Trust	85	155	—	62	302	285
Sandringham School	6,498	1,739	335	1,150	9,722	9,382
Verulam School	3,983	996	363	677	6,019	6,092
Ridgeway Academy	3,249	709	381	667	5,006	4,342
Wheatfields Infants	1,132	337	29	249	1,747	—
Wheatfields Juniors	1,129	224	29	290	1,672	—
	16,076	4,160	1,137	3,095	24,468	20,101

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	2020 Total £'000
Alban Academies Trust	211	6	1	67	285
Sandringham School	5,693	1,794	334	1,561	9,382
Verulam School	3,988	930	262	912	6,092
Ridgeway Academy	2,727	671	273	671	4,342
	12,619	3,401	870	3,211	20,101

Notes to the financial statements Year to 31 August 2021

17 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2021 Total funds £'000	2020 Total funds £'000
Tangible fixed assets	—	—	65,371	65,371	54,870
Current assets	2,666	3,998	707	7,371	4,433
Creditors due within one year	—	(3,414)	—	(3,414)	(2,206)
Creditors due after one year	—	(296)	—	(296)	—
Provisions for liabilities and charges	—	(8,505)	—	(8,505)	(4,650)
	2,666	(8,217)	66,078	60,527	52,447

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2020 Total funds £'000
Tangible fixed assets	—	—	54,870	54,870
Current assets	2,127	2,306	—	4,433
Creditors due within one year	—	(2,206)	—	(2,206)
Provisions for liabilities and charges	—	(4,650)	—	(4,650)
	2,127	(4,550)	54,870	52,447

18 Capital commitments

At 31 August 2021 the Academy Trust had capital commitments as follows:

	2021 £'000	2020 £'000
Contracted for but not provided in these financial statements	207	1,171

19 Commitments under operating leases

Operating leases

At 31 August 2021, the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was as follows:

	2021 £'000	2020 £'000
Amounts due within one year	40	37
Amounts due between two and five years inclusive	62	85
	102	122

20 Pension commitments

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

20 Pension commitments (continued)

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- ◆ employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- ◆ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and
- ◆ the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £2,447,369 (2020: £2,015,347).

20 Pension commitments (continued)

Valuation of the Teachers' Pension Scheme (continued)

A copy of the valuation report and supporting documentation is on the [Teachers' Pension Scheme website](#). Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy Trust has accounted for its contributions to the

scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £1,009,000 (2020: £805,000), of which employer's contributions totalled £795,000 (2020: £645,000) and employees' contributions totalled £214,000 (2020: £160,000). 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 an Academy Trust 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	2021 %	2020 %
Discount rate for scheme liabilities	1.7	1.7
Inflation assumptions (CPI)	2.9	2.2
Rate of increase in salaries	3.3	2.6
Rate of increase for pensions in payment/inflation	2.9	2.2

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

	2021	2020
<i>Retiring today</i>		
Males	22.1	21.9
Females	24.5	24.1
<i>Retiring in 20 years</i>		
Males	23.2	22.8
Females	26.2	25.5

Notes to the financial statements Year to 31 August 2021

20 Pension commitments (continued)

Local Government Pension Scheme (continued)

The Academy Trust's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2021 £'000	Fair value at 31 August 2020 £'000
Equities	6,688	4,891
Corporate bonds	3,659	3,229
Property	1,388	830
Cash and other liquid assets	883	277
Total market value of assets	12,618	9,227
Present value of scheme liabilities:		
Funded	(21,123)	(13,877)
Deficit in the scheme	(8,505)	(4,650)

Sensitivity analysis	2021 £'000	2020 £'000
Discount rate +0.1%	(476)	(315)
Discount rate -0.1%	476	315
CPI rate +0.1%	441	291
CPI rate -0.1%	(441)	(291)

Amounts recognised in statement of financial activities	2021 £'000	2020 £'000
Current service cost	1,628	622
Past service cost	—	—
Interest income	(183)	(151)
Interest cost	287	228
Total amount recognised in the SOFA	1,732	699

Changes in the present value of defined benefit obligations were as follows:	2021 £'000	2020 £'000
At 1 September 2020	(13,877)	(12,026)
Conversion of Academy Trusts	(2,158)	—
Current service cost	(1,628)	(1,267)
Interest cost	(287)	(228)
Employee contributions	(214)	(160)
Actuarial loss	(3,106)	(332)
Benefits paid	147	136
At 31 August 2021	(21,123)	(13,877)

Notes to the financial statements Year to 31 August 2021

20 Pension commitments (continued)

Local Government Pension Scheme (continued)

Changes in the fair value of the Academy Trust's share of scheme assets:	2021 £'000	2020 £'000
At 1 September 2020	9,227	8,005
Upon conversion	1,113	—
Actuarial gain	1,233	402
Expected gain on assets	183	151
Employer contributions	795	645
Employee contributions	214	160
Benefits paid	(147)	(136)
At 31 August 2021	12,618	9,227

21 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.

22 Related party transactions

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

Other than certain Trustees' remuneration and expenses already disclosed in note 8, the only related party transactions that took place in the year were as follows:

During the year ended 31 August 2021, incoming resources totalling £189,494 (2020: £213,381) were recognised from Alban Teaching School Alliance Limited for services rendered and expenditure of £6,406 (2020: £4,875) was paid to Alban Teaching School Alliance Limited. 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 £116,678 (2020: £145,526) included in trade debtors.

The Academy Trust conducted the above related party transactions in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with their financial regulations and procurement procedures.

On 27 February 2021, the Academy Trust incorporated Alban Academies Trust Trading Limited, a wholly owned subsidiary of Alban Academies Trust. Alban Academies Trust Trading Limited was dormant until 1 September 2021.

Notes to the financial statements Year to 31 August 2021

23 Agency agreements

The Academy Trust distributes 16-19 bursary funds to the students as an agent for the ESFA. During the year ended 31 August 2021, the Trust received £26,136 (2020: £28,503) and disbursed £31,494 (2020: £15,399) from the fund.

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 2021, the Trust received £915,292 (2020: £1,106,482) on behalf of third parties and disbursed £914,092 (2020: £1,106,482). There were no outstanding undistributed bursaries and salary payments as at the year end or at the prior year end.

24 Transfer from Local Authority on conversion

During the year ended 31 August 2021, two local authority schools joined the MAT. At the date of conversion to Academy status under the Academies Act 2010, the operations and assets and liabilities were transferred to the group for £nil consideration.

The transfers have been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total £'000
Tangible fixed assets				
Leasehold land and buildings	—	—	11,872	11,872
Budget surplus on LA funds	547	—	—	547
LGPS pension deficit	—	(1,045)	—	(1,045)
Net assets (liabilities)	547	(1,045)	11,872	11,374

Wheatfields Junior School

On 1 September 2020, Wheatfields Junior School converted to Academy status:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total £'000
Tangible fixed assets				
Leasehold land and buildings	—	—	6,834	6,834
Budget surplus on LA funds	301	—	—	301
LGPS pension deficit	—	(406)	—	(406)
Net assets (liabilities)	301	(406)	6,834	6,729

Notes to the financial statements Year to 31 August 2021

24 Transfer from Local Authority on conversion (continued)

Wheatfields Infants School

On 1 September 2020, Wheatfields Infants School converted to Academy status:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total £'000
Tangible fixed assets				
Leasehold land and buildings	—	—	5,038	5,038
Budget surplus on LA funds	246	—	—	246
LGPS pension deficit	—	(639)	—	(639)
Net assets (liabilities)	246	(639)	5,038	4,645

25 Post balance sheet events

On 1 September 2021, Garden Fields School joined the Academy Trust. The operations, buildings, pension obligations and fund balances from this Academy was transferred to the Academy Trust for £nil consideration.