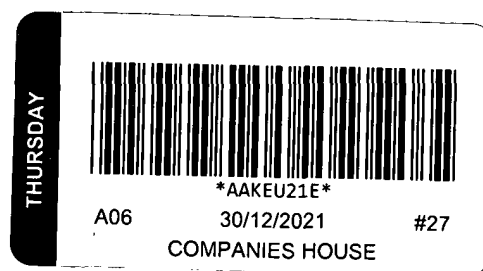


Diocese Of St Albans Multi-Academy Trust

Trustees' Report and Financial Statements

Year to 31 August 2021

Company Limited by Guarantee
Registration Number
10449374 (England and Wales)



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Reference and administrative information

Members	The Ven Janet Mackenzie Norman Hoare (resigned December 2020) Andrew Wellbeloved Shirley Whales Mike Bailey CBE
Trustees	Mike Bailey CBE, Chair of Trustees The Rt Rev'd Richard Atkinson OBE, Vice Chair Lindsay Fraser, Trustee (resigned 31 August 2021) Robin Humber, Trustee (resigned 2 February 2021) Andrew Martin, Trustee Canon David Morton, Trustee Paul Dickens, Trustee Alison Richards (appointed October 2020) Jenny Marsh (appointed February 2021) Carole Bennett, Accounting Officer
Senior Leadership Team	Carole Bennett, Chief Executive Officer Natalie Dalvarez, Deputy Chief Executive Officer Gemma Barber, Trust Education Director
Registered address	Manshead CE Academy Dunstable Road, Caddington Luton Bedfordshire LU1 4BB
Company registration number	10449374
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Barclays Bank PLC Leicester Leicestershire LE87 288

Reference and administrative information

Solicitors	Stone King LLP 3 rd Floor Bateman House 82-88 Hills Road Cambridge CB2 1LQ
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Trustees' report Year to 31 August 2021

INTRODUCTION

The Trustees of the Diocese of St Albans Multi-Academy Trust ('the Trust') present their statutory report together with the financial statements of the charitable company for the year to 31 August 2021. The report serves the purposes of both a trustees' report under charity law and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 32 to 37 of the audited financial statements and comply with the Trust's Memorandum and Articles of Association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and governance

The 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 Trust. The Trustees of Diocese Of St Albans Multi-Academy Trust are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Diocese Of St Albans Multi-Academy Trust.

Details of the Trustees who served during the year and the governance arrangements of the Trust and delegations to senior executive officers and committees are set out in the governance statement beginning on page 11.

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 commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10 million on any one claim and the cost for the premium for the year ended 31 August 2021 was included within the overall insurance premium.

Method of recruitment and appointment or election of trustees

The Members of the Trust are set out on page 1. When appointing and recruiting Trustees (and members of Trust committees and local governing bodies) regard is given to the skills mix and backgrounds of the existing trustees and potential new trustees so as to ensure that the Board of Trustees, its committees and local governing bodies have all the necessary skills required to carry out their roles and contribute fully to the Trust's development.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Policies and procedures adopted for the induction and training of Directors

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

Organisational structure

As a charity and a company limited by guarantee, Diocese of St Albans Multi Academy Trust is governed by a Board of Members who appoint Directors who are in turn responsible for, and oversee, the management and administration of the Trust and the schools run by the Trust.

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

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

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

The key functions of the Governing Boards are:

- ◆ To support Academies in a way that ensures improvement and promotes high standards of educational achievement;
- ◆ To ensure effective safeguarding;
- ◆ To monitor standards and performance of its schools and report to the Board of Trustees through the Chief Executive Officer;
- ◆ To contribute to each school's self-evaluation and understand its strength and weaknesses;
- ◆ To support with the monitoring of compliance within their school;

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

- ◆ To be a key part of the leadership team of their school, working closely with the Headteacher and other senior leaders.

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

Academies within the Trust operate within the Governance Framework. This document outlines in detail what has been delegated to each committee or role, from the Finance and Operations Committee, to Local Governing Boards, through to the Headteacher. Within this document, the Financial Scheme of Delegation clearly shows the different levels of authority required for different activities and by which roles across the Trust.

Arrangements for setting pay and remuneration of key management personnel

The Trust has a detailed Pay Policy in place that outlines the processes and procedures that are used in setting the pay and remuneration of all staff within the Trust.

At the end of each appraisal year, senior leadership teams will meet to moderate the appraisal process and recommendations for their staff. This moderation is then scrutinised by their CoG and CEO. For the central team this moderation is scrutinised by the SLT and Chair of the Board.

For Headteachers, the process is similar to the above and recommendations and moderation scrutiny takes place between each CoG and the CEO.

The CEO presents all of this information to the Pay and Personnel Committee where the item is discussed and ratified. All details are captured within the minutes. Communication is then shared with CoG, Heads and Business leads so that budgets can be reforecast and updated, and leaders share the news with their staff.

Engagement with employees

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
- ◆ 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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Engagement with employees (continued)

All of the above engagement has been increased this year as we transitioned to working within the COVID guidelines, enabling staff to work from home as required and supported with additional wellbeing needs during this unprecedented time.

Policy in relation to the employment of disabled persons

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

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

Equal opportunities

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

Trade union facility time

The Diocese of St Albans Multi Academy Trust does not currently support Trade Union Facility Time. The Trust does not have any relevant Union Offices and therefore no time or proportion of the pay bill were spent on such activities during the year.

Related parties and other connected charities and organisations

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

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

Trustees' report Year to 31 August 2021

OBJECTIVES AND ACTIVITIES

The object of the Trust is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing academies which shall offer a broad and balanced curriculum and which shall include:

- i) Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education; and
- ii) Other academies whether with or without designated religious character; but in relation to each of the academies to recognise and support their individual ethos, whether or not designated as a Church of England school.

The Trust welcomes students from all backgrounds.

STRATEGIC REPORT

Achievements and performance

This year, despite the challenges of the pandemic, the Trust has continued to drive forward strategic and operational progress for the benefit of its pupils. These have included:

- ◆ Successfully admitting and inducting two new schools to the Trust (Ravensden and Studham)
- ◆ Supporting schools to meet the challenges of delivering remote learning and supporting the education of the most vulnerable
- ◆ Enabling school to meet PHE requirements in order to protect their communities from local outbreaks of COVID-19
- ◆ Developing and launching recovery curriculums in each school, to meet the needs of learners and enable them to regain lost learning
- ◆ Developing new remote networking opportunities for the sharing of practice in and between schools
- ◆ Being awarded a TCAF bid from the DfE to enable networking, coaching, marketing and finance improvements to be made which support Trust growth
- ◆ Creating a new Christian Distinctiveness Working Group to drive the culture and practices of the schools forward in line with the founding vision and ethos of the Trust
- ◆ Establishing a Local Governing Board development programme - working towards the creation of an LGB in each school on a rolling programme and moving away from the use of larger Regional Hub Boards in most schools
- ◆ Recruiting and inducting two new Directors, Chairs and local governing board members for new LGBs in schools

Trustees' report Year to 31 August 2021

STRATEGIC REPORT (continued)

Achievements and performance (continued)

- ◆ Strengthening Trust finance processes to enable each school in the Trust to end the year in balance
- ◆ Procuring new contracts for reprographics and catering to enable savings and efficiencies to be made across the Trust, whilst also improving the quality of services

Going concern

The Board of Directors has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. In arriving at this assessment the Directors have considered the impact of the coronavirus pandemic. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Financial review

The Coronavirus pandemic impacted the Trust in a number of ways. COVID has impacted on income generation, but this has been largely mitigated by reduced costs. Pupil numbers have been hard to predict as we have had late interest and admission forms from parents and carers. Catch up funding is too limited for the actual costs our school are incurring, so these are impacting on overall investment in children. Late notice of funding from the DFE in terms of funding and CIF has had a great impact on our ability to plan strategically and had put pressure on our teams and schools to lever the most impact and value for money.

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 £12,757,000 (2020 - £12,093,000). The Trust received £9,591,000 (2020 - £8,828,000) in the General Annual Grant from the ESFA and £139,000 (2020 - £352,000) in capital grants.

The Trust had a deficit total fund balance of £4,934,000 (2020 – deficit of £2,407,000) at 31 August 2021 which includes unrestricted funds of £810,000 (2020 - £574,000). Revenue reserves (excluding fixed asset funds and pension reserves) were £980,000 (2020 - £619,000).

The Trust's total funds were in deficit as a result of the valuation of the Local Government Pension Scheme liability of £9,350,000. This is an estimated long term valuation of the Trust's obligations under the Local Government Pension Scheme and therefore does not impact upon the Trust's solvency.

Reserves policy

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

The Trust's policy for reserves is linked to and part of its formal consideration of the going concern assessment and an appropriate level of reserves underpins the forecasts and projects that are used by the Board to confirm that the Trust is a going concern and able to meet its liabilities as they arise.

Trustees' report Year to 31 August 2021

STRATEGIC REPORT (continued)

Reserves policy (continued)

The Trust's current level of free reserves is £810,000 (2020 - £574,000) which excludes restricted 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 holds no investments.

Principal risks and uncertainties

Risk management is embedded within the work of the Trust. The Trust Board has an Audit, Risk and Compliance Committee which reviews risk and actions taken to mitigate them each term. A Risk Register is in place which is monitored by the Committee, and reported to Board. The key risks have been determined as:

- ◆ Pupils have large gaps in their learning after the pandemic which hinder progress
- ◆ Schools do not evidence improvement during external reviews
- ◆ The migration to LGBs – new LGBs, new schools and new Chairs – pressure on central teams, school and Chairs to retain quality of challenge/support locally
- ◆ Trust increases in size but central services charge does not enable proportionate growth of central team capacity to support schools adequately (educational and operational support). Leads to loss of staff or reduced standards
- ◆ Estates are poorly managed and are not safe or fit for purpose

Fundraising

During 2020/21, the Trust has not engaged in any centrally organised fundraising campaigns. Neither has it engaged, worked with or overseen the work of any commercial fundraisers.

Funds held as a custodian Trustee on behalf of others

Neither the Trust or its trustees act as custodians on behalf of any other organisation.

Trustees' report Year to 31 August 2021

PLANS FOR FUTURE PERIODS

The Trust has a three year Strategic Plan, which has been developed with Directors and Members.

The Trust currently educates just over 2,000 pupils. In line with guidance from the Education and Skills Funding Agency and DfE strategy, there is an aspiration to grow to between 12 and 15 schools, educating just over 3,000 pupils in the next 18 months, admitting no more than one school per term.

This size of Trust will enable structural and contractual efficiencies to be realised at school and Trust level, and greater collaboration to drive improvements in leadership, teaching, learning and business management. At 3,000 pupils, the Trust would be eligible for direct capital funding, enabling the development of a sustainable, long term Estates Management programme.

The Trust is focussing growth in the existing cluster areas, with particular focus on Church of England schools who are rated 'Good' in OfSTED. Whilst schools with 'Requiring Improvement' or 'Inadequate' categories will be admitted, subject to due diligence, this will be on the guidance of the Diocesan Board of Education and the Regional Schools Commissioner. Maintained schools are welcome to join the Trust, but would be expected to support the existing ethos and values of the Trust and will not exceed 25% of the community.

As the Trust grows, it will also be necessary to enhance the capacity of the Central Team, to ensure that the community has the right level of support to continue to improve. This will be funded by the additional central service charge revenue, and overseen by the Board directly.

Key areas for investment to ensure that the community is able to support up to 15 schools include:

- ◆ Strategic governance
- ◆ Educational leadership secondments across the Trust
- ◆ Internal HR assistance
- ◆ Finance assistance (to support the Trust's single bank account/operations)

Longer term, the Trust seeks to build to a strong community, enabling the Diocese to offer academisation to at least 25 schools across the Diocese within three years, whatever their OfSTED designation. This would be built on a cluster model, adding additional cluster areas according to local requirements.

The Central Team's capacity will be reviewed by the Board and CEO as the Trust grows, with key break points for review at 15, 20 and 25 schools. Key areas for investment at these points will include marketing, communications, SEND and secondary expertise, depending on the needs of the emerging community.

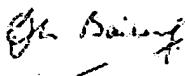
Trustees' report Year to 31 August 2021

AUDITOR

In so far as the Trustees are aware:

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

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



Mike Bailey

Chair of Board of Trustees of the Trust

Date: 08/12/2021

Governance statement 31 August 2021

Diocese Of St Albans Multi-Academy Trust is a company limited by guarantee and an exempt charity; the formal governance arrangements for the Trust are set out in its Articles of Association.

Governors of the Trust

The following persons were in office for the year to 31 August 2021 inclusive (or part thereof as indicated).

Directors	Appointed/Resigned
Paul Dickens	
The Rt Rev'd Richard Atkinson OBE	
Lindsay Fraser	Resigned 31 st August 2021
Robin Humber	Resigned 2 February 2021
Canon David Morton	
Carole Bennett	
Andrew Martin	
Mike Bailey CBE (Chair)	
Alison Richards	Appointed October 2020
Jenny Marsh	Appointed February 2021

The Members of the Trust are the subscribers to the Memorandum of Association – the people who established the Trust – and any other individuals appointed by the Members. The Members have an overview of the governance arrangements of the Trust and may amend the Trust's Articles of Association. The Members appoint Trustees and may remove Trustees.

The Board of Trustees

The Members have delegated all their powers and duties, apart from those specified above, to the Board of Trustees.

The Board of Trustees consists of eight Trustees appointed by the Members plus the CEO, as long as s/he remains in office; the Trustees may in addition appoint co-opted Trustees.

The Board of Trustees retains responsibility for:

- ◆ Formal accountability for the statutory functions of the Trust and for the operation and performance of all schools in the Trust;
- ◆ Ensuring clarity of vision, ethos and strategic direction of the Trust as a whole;
- ◆ Approving the Trust Budget and the Annual Report & Financial Statements of the Trust and ratifying the annual budget of each school;
- ◆ Oversight of the financial and educational performance of the schools in the Trust;
- ◆ Holding the CEO to account for the financial and educational performance of the Trust as a whole; and

The Board of Trustees (continued)

- ◆ Agreeing Trust policies and procedures and ratifying school policies and procedures as required to ensure that the Trust fulfils its statutory responsibilities and the oversight, monitoring and review of the implementation of those policies.

The Board of Trustees can delegate powers and functions other than those above to committees including local governing bodies (LGBs), but retains legal accountability for any decisions taken. The Board of Trustees will not get involved in the day-to-day running of the Trust or its schools.

Local Governing Bodies

The Board of Trustees has established a local governing body (LGB) or Regional Hub Board (RHB) for each school in the Trust, to which it delegates its powers and functions with regard to the management and performance and oversight of the school.

The LGB has the following delegated powers:

- ◆ Monitor and evaluate the education performance of any Academy served by the LGB against the defined criteria established by the Trust Board;
- ◆ Monitor and evaluate the safeguarding and wellbeing of pupils, staff and any visitors to each Academy in line with the Health and Safety and operating policies agreed by the Trust Board;
- ◆ Develop and maintain good relationships with the local communities, especially parents, for each Academy;
- ◆ Raise with the Trust Board for further investigation, consideration or request for additional resources to be allocated to address local issues in order to further enhance the quality of teaching and learning and standards achieved in any Academy; and
- ◆ Monitor the effective use of the school budget to continue to raise standards across key stages.

The LGB will not get involved in the day-to-day running of the school.

The LGB must at all times act in accordance with the Governance Procedures agreed by the Trust, and ensure that the school's policies and the ways that it is managed and operates are consistent with the Articles of Association and Funding Agreement and the policies and procedures of the Trust, and with all relevant legislation and regulations. The LGB must take account of the advice given to them by the Board of Trustees and Trust Senior Leadership Team.

The LGB may carry out its delegated functions as it sees fit and may delegate those functions to a committee, individual governor or executive office holder, subject to such delegation and any associated committee remits or conditions being approved by the Board of Trustees. The Board of Trustees may, in exceptional circumstances, impose conditions and restrictions upon the delegated authority it has given to the LGB.

Governance statement 31 August 2021

Trust Committees

The Board of Trustees has established the following committees:

- ◆ Finance and Operations Committee;
- ◆ Audit and Risk Committee; and
- ◆ Pay and Personnel Committee.

Delegation to Trust Executive officers

The Board of Trustees delegates to the Chief Executive Officer (CEO) responsibility for delivery of the Trust's strategy and for the implementation of the policies of the Trust, and for the day-to-day running, internal organisation, management and control of central Trust services. The CEO is responsible for the performance management of the Trust executive and the Headteachers of the Trust's schools.

The Board of Trustees delegates to the Headteacher of each school in the Trust the responsibility for the day-to-day running of the school, including the internal organisation, management and control of the school and the direction of teaching and the curriculum, and for the implementation of the policies of the Trust and LGB/RHB.

Meeting attendance

The Members have formally met three times during the year and the Board of Trustees has formally met as a full Board 4 times during the year 2020/2021. Members and Directors met throughout the pandemic, as did Regional Hub Boards and Local Governing Boards, although many meetings were held using remote technologies.

Attendance during the year at meetings of the Board was as follows:

Director	Number of Meetings	Out of a possible
Mike Bailey CBE (Chair)	4	4
The Rt Rev'd Richard Atkinson OBE	4	4
Lindsay Fraser	4	4
Robin Humber	2	2
David Morton	4	4
Paul Dickens	4	4
Andrew Martin	4	4
Carole Bennett	4	4
Allison Richards	3	3
Jenny Marsh	2	2

Governance statement 31 August 2021

Meeting attendance (continued)

Attendance during the year at meetings of the Finance and Operations Committee was as follows:

Director	Number of Meetings	Out of a possible
Robin Humber (Chair)	3	3
David Morton	5	5
Carole Bennett	5	5
Mike Bailey CBE	5	5

Attendance during the year at meetings of the Audit & Risk Committee was as follows:

Director	Number of Meetings	Out of a possible
Andrew Martin (Chair)	4	4
Mike Bailey CBE	4	4
Carole Bennett	4	4
Paul Dickens	3	4

Attendance during the year at meetings of the Pay and Personnel Committee was as follows:

Director	Number of Meetings	Out of a possible
Mike Bailey CBE (Chair)	3	3
Paul Dickens	3	3
Lindsay Fraser	3	3
Robin Humber	1	1
Carole Bennett	3	3

Governance review

Members and Trustees work to deliver the Trust's ethos and values, however the Trustees are focused on the delivery of strategic plans, holding the executive to account and ensuring that the annual performance of the Trust meets or exceeds the performance targets agreed as well as compliance with all statutory and regulatory requirements.

The Trustee Board sets the vision, values, ethos and work programmes for all schools under its designation. It sets the scheme of delegation for each school within the Trust and appoints all governors on any local governing body that exists to govern the separate schools within the Trust. The degree of delegation is dependent upon the strength of the Local Governing Body (LGB) and the previous performance of each school served by the LGD.

Scope of responsibility

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

Scope of responsibility (continued)

The Board of Trustees has delegated the day-to-day responsibility to the CEO, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Trust and the Secretary of State for Education. The CEO is also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Review of value for money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during the 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 and improved value for money during the year by:

- ◆ Ensuring efficient use of human resources to maximise outcomes for pupils;
- ◆ Increasing the number of pupils on roll across the Trust through improved standards and outcomes across all key stages subsequently increasing schools budget share.

The Trust adhered to principles recommended in PPN notices issued during the year, by continuing to pay suppliers who were able to continue to deliver services and allowing reasonable adjustments to be implemented to service delivery during the year.

Local Governing Bodies

Responsibility for managing the financial performance of each school in the Trust, ensuring financial performance of the Trust and regulations are adhered to and ensure value for money are delegated to the school's local governing body.

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 the Trust's 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 at the Trust for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Governance statement 31 August 2021

Capacity to handle risk

The Trustees have reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there is an ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements. The Board of Trustees regularly reviews this process.

The risk and control framework

The 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 monthly financial/budget monitoring reports which are reviewed and agreed by the Board of Trustees;
- ◆ Regular reviews by the Board of 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 (including asset purchase or capital investment) guidelines;
- ◆ The implementation of an internal compliance programme;
- ◆ Delegation of authority and segregation of duties; and
- ◆ Identification and management of risks.

The Board of Trustees, delegated to its Audit and Risk committee, has agreed a programme of internal and external compliance. For 2020 to 2021 it included:

- ◆ Internal compliance reviews completed by the Trust Finance Manager
- ◆ Internal Scrutiny visits completed by Herts for Learning Finance team once per year
- ◆ Buzzacott completes an external audit on Trust Central Services, including adherence to Trust policies and schemes of delegation.

In accordance with the Revised Ethical Standard 2019, the internal scrutiny function is delivered by a separate organisation from the external audit.

During the year, the focus was on bringing in the new schools and developing the additional controls and systems required by a multi academy trust. This has included:

- ◆ Introduction of new finance and budget monitoring systems

Governance statement 31 August 2021

The risk and control framework (continued)

- ◆ Commenced a process for the development of a Trust data dashboard for monitoring student outcomes
- ◆ Detailed finance procedures created and rolled out to school in 2020 as a result of feedback from the 2019/20 external scrutiny review.

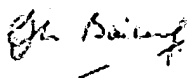
The Trustees also received the results of the due diligence process undertaken on the new schools. This included quality of governance, teaching and finances.

Review of effectiveness

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

- ◆ the due diligence process for all schools joining the Trust, including a local authority/external internal audit completed as part of the conversion process;
- ◆ the financial management and governance self-assessment process completed for all schools joining shortly after conversion;
- ◆ the work of the external auditor;
- ◆ the monthly management accounts process which is consistent across all schools; and
- ◆ the work of the Senior Leadership Team within the Trust which has responsibility for the development and maintenance of the internal control framework; and

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



Mike Bailey

(Chair of Board of Trustees of the Trust)

Approved on:

08/12/2021



Carole Bennett,

(CEO and Accounting Officer)

Statement of regularity, propriety and compliance 31 August 2021

As Accounting Officer of Diocese Of St Albans Multi-Academy Trust, I have considered my responsibility to notify the Trustees of the Trust and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. 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 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.

A handwritten signature in black ink, appearing to read 'C Bennett', with a stylized flourish at the end.

Carole Bennett,
Accounting Officer

Date: 08/12/2021

Statement of Trustees' responsibilities 31 August 2021

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

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

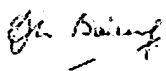
- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP (FRS 102) and the Academies Accounts Direction 2020 to 2021;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom 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 Trust will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust 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 Trust 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 the ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 08/12/2021 and signed on its behalf by:



Mike Bailey
Chair of Board of Trustees of the Trust

Independent auditor's report 31 August 2021

Independent auditor's report to the members of Diocese Of St Albans Multi-Academy Trust

Opinion

We have audited the financial statements of Diocese Of St Albans Multi-Academy Trust (the '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.

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

Responsibilities of trustees

As explained more fully in the 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:

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

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;
- ◆ 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;

Independent auditor's report 31 August 2021

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

- ◆ 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;
- ◆ 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.

Independent auditor's report 31 August 2021

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

16.12.2021

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's assurance report on regularity to Diocese Of St Albans Multi-Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 30 April 2020 and further to the requirements of the Education and 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 the Diocese of St Albans Multi-Academy Trust during the year 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 Diocese Of St Albans Multi-Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Diocese Of St Albans Multi-Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Diocese Of St Albans Multi-Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Diocese Of St Albans Multi-Academy Trust's Accounting Officer and the reporting accountant

The accounting officer is responsible, under the requirements of Diocese Of St Albans Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 30 August 2016 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 from 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.

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.

Approach (continued)

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

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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed 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 from 1 September to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Buzzacott LLP

Hugh Swainson – 16.12.2021

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Statement of financial activities Year to 31 August 2021

		Unrestricted	Restricted funds		2021	2020
	Notes	general fund £'000	General fund £'000	Fixed assets fund £'000	Total funds £'000	Total funds £'000
Income from:						
Donations and capital grants	1	35	—	342	377	717
Transfer from local authority on conversion		129	(849)	—	(720)	—
Charitable activities	2	—	12,808	—	12,808	10,944
Other trading activities	3	291	—	—	291	431
Investments	4	1	—	—	1	1
Total income		456	11,959	342	12,757	12,093
Expenditure on:						
Raising funds		220	—	—	220	230
Charitable activities		—	13,461	263	13,724	12,174
Total expenditure	5	220	13,461	263	13,944	12,404
Net income (expenditure)	5	236	(1,502)	79	(1,187)	(311)
Transfers between funds	14	—	(16)	16	—	—
Net movement in funds before other recognised losses		236	(1,518)	95	(1,187)	(311)
Other recognised losses:						
Actuarial losses on defined benefit pension schemes	21	—	(1,340)	—	(1,340)	(2,395)
Net movement in funds	14	236	(2,858)	95	(2,527)	(2,706)
Reconciliation of funds:						
Fund balances brought forward at 1 September 2020	14	574	(9,305)	6,324	(2,407)	299
Fund balances carried forward at 31 August 2021	14	810	(12,163)	6,419	(4,934)	(2,407)

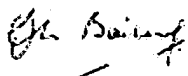
All of the academy trust's activities derive from continuing operations in the above financial period.

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

Balance sheet 31 August 2021

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Tangible fixed assets	11		6,209		5,953
Current assets					
Debtors	12	605		733	
Cash at bank and in hand		1,590		1,182	
		<u>2,195</u>		<u>1,915</u>	
Creditors: amounts falling due within one year	13	<u>(1,005)</u>		<u>(925)</u>	
Net current assets			<u>1,190</u>		<u>990</u>
Total assets less current liabilities			<u>7,399</u>		<u>6,943</u>
Defined benefit pension scheme liability	21		<u>(12,333)</u>		<u>(9,350)</u>
Total net liabilities			<u>(4,934)</u>		<u>(2,407)</u>
Funds of the Trust					
Restricted funds					
Fixed assets fund	14	6,419		6,324	
Restricted income funds	14	<u>170</u>		<u>45</u>	
Restricted funds excluding pension liability	14	6,589		6,369	
Pension reserve	14	<u>(12,333)</u>		<u>(9,350)</u>	
Total restricted funds	14		<u>(5,744)</u>		<u>(2,981)</u>
Unrestricted income funds	14		<u>810</u>		<u>574</u>
Total funds			<u>(4,934)</u>		<u>(2,407)</u>

The financial statements on page 29 to 56 were approved by the Trustees, authorised for issue and are signed on their behalf by:



Mike Bailey
Chair of Board of Trustees
Approved on: 08/12/2021

Diocese of St Albans Multi Academy Trust
Company Limited by Guarantee
Registration Number: 10449374 (England and Wales)

Statement of cash flows Year to 31 August 2021

		2021 £'000	2020 £'000
Cash flows from operating activities			
Net cash provided by in operating activities	16	787	407
Cash flows from investing activities	17	(379)	(159)
Change in cash and cash equivalents in the year		408	248
Cash and cash equivalents at 1 September 2020		1,182	934
Cash and cash equivalents at 31 August 2021	18	1,590	1,182

Analysis of changes in net debt

	At 1 September 2020 £'000	Cash flows £'000	At 31 August 2021 £'000
Cash	1,182	408	1,590
Total	1,182	408	1,590

Principal accounting policies Year to 31 August 2021

Statement of accounting policies

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

Basis of preparation

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 to the nearest thousand pounds.

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 company 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 this assessment, the trustees have considered the impact of coronavirus on the operational and financial results of the Trust.

Income

All income is recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

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

Principal accounting policies Year to 31 August 2021

Income (continued)

Grants (continued)

The General Annual Grant is recognised in full in the statement of financial activities in the year for which it is receivable and any abatement in respect of the 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. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Transfer on conversion

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust. An equal amount of income is recognised as transfer on conversion within donations and capital grant income.

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.

Charitable activities

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

All expenditure is stated net of recoverable VAT.

Principal accounting policies Year to 31 August 2021

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost/valuation of each asset on a straight-line basis over its expected useful economic life, as follows:

♦ Leasehold buildings	Over the life of the lease
♦ Leasehold and licence to occupy improvements	10% straight line
♦ Furniture and equipment	20% straight line
♦ Computer equipment	33.33% straight line

Depreciation is charged from the month of acquisition.

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.

Liabilities

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

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Principal accounting policies Year to 31 August 2021

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. Prepayments are not financial instruments.

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

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

Taxation

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

Pensions benefits

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

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 21, 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.

Principal accounting policies Year to 31 August 2021

Pensions benefits (continued)

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 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.

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

Restricted ESFA funds comprise all other grants received from the Education and Skills Funding Agency.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority.

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.

Principal accounting policies Year to 31 August 2021

Critical accounting estimates and areas of judgement (continued)

Critical accounting estimates and assumptions (continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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.

Notes to the financial statements Year to 31 August 2021

1 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2021 Total funds £'000	2020 Total funds £'000
Asset funds inherited on conversion	129	—	—	129	—
Pension deficit inherited on conversion	—	(849)	—	(849)	—
	129	(849)	—	(720)	—
Donations	35	—	203	238	365
Capital Grants	—	—	139	139	352
Subtotal	35	—	342	377	717
Total 2021	164	(849)	342	(343)	717

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2020 Total funds £'000
Asset funds inherited on conversion	—	—	—	—
Pension deficit inherited on conversion	—	—	—	—
	—	—	—	—
Donations	—	25	340	365
Capital Grants	—	—	352	352
Subtotal	—	25	692	717
Total 2020	—	25	692	717

Notes to the financial statements Year to 31 August 2021

2 Funding for the Academy Trust's educational operations

	2021 Total funds £'000	2020* Total funds £'000
DfE/ESFA grants		
General annual grant (GAG)	9,591	8,828
Other DfE / ESFA grants		
· Pupil premium	520	460
· Start up grant	50	—
· UIFSM	130	128
· Others	726	477
	11,017	9,893
Other government grants		
Special educational needs	652	411
Other Local Authority	915	623
	1,567	1,034
Exceptional government funding		
COVID-19 additional funding (DfE/ESFA)		
Catch-up premium	184	—
Other DfE/ESFA COVID-19 funding	40	17
	184	17
Total 2021	12,808	10,944

The trust received £184,000 of funding for catch-up premium and costs incurred in respect of this funding totalled £148,000 with the remaining £36,000 to be spent in 2021/22. In the prior year, the trust received £17,200 of coronavirus exceptional support to cover costs related to additional cleaning, premises costs and provision of free school meals. These costs are included in notes 5 and 6 below 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.

All funding received for the Academy Trust's educational operations was restricted in both 2020 and 2021.

Notes to the financial statements Year to 31 August 2021

3 Income from other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000	2020 Total funds £'000
Catering income	145	—	145	178
Lettings income	14	—	14	50
Uniforms income	—	—	—	1
Trips income	28	—	28	69
Other income – self generated	104	—	104	133
	291	—	291	431

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000
<i>Catering income</i>	178	—	178
<i>Lettings income</i>	50	—	50
<i>Uniforms income</i>	1	—	1
<i>Trips income</i>	69	—	69
<i>Other income – self generated</i>	133	—	133
	431	—	431

4 Investment income

	Unrestricted funds £'000	Total funds 2021 £'000	Total funds 2020 £'000
Interest receivable	1	1	1

	Unrestricted funds £'000	Total funds 2020 £'000
<i>Interest receivable</i>	1	1

Notes to the financial statements Year to 31 August 2021

5 Expenditure

	Staff costs £'000	Premises £'000	Other costs £'000	2021 Total funds £'000	2020 Total funds £'000
Expenditure on raising funds					
· Direct costs	69	—	151	220	230
Educational operations					
· Direct costs	8,471	59	435	8,965	7,915
· Allocated support costs	2,894	465	1,400	4,759	4,259
Total	11,434	524	1,986	13,944	12,404

	Staff costs £'000	Premises £'000	Other costs £'000	2020 Total funds £'000
Expenditure on raising funds				
· Direct costs	—	—	191	191
Educational operations				
· Direct costs	7,395	100	420	7,915
· Allocated support costs	2,693	432	1,173	4,298
Total	10,088	532	1,784	12,404

Net expenditure for the year includes:

	2021 £'000	2020 £'000
Operating lease rentals	3	10
Depreciation	263	267
Fees payable to the auditor for statutory audit	22	20
Fees payable to the auditor for non-audit	14	12

6 Analysis of expenditure by activities

	Activities undertaken directly 2021 £'000	Support costs 2021 £'000	2021 Total funds £'000	2020 Total funds £'000
Educational operations	8,965	4,305	13,270	12,174

	Activities undertaken directly 2020 £'000	Support costs 2020 £'000	2020 Total funds £'000
Educational operations	7,915	4,259	12,174

Notes to the financial statements Year to 31 August 2021

6 Analysis of expenditure by activities (continued)

	Educational Operations £'000	2021 Total funds £'000	2020 Total funds £'000
Analysis of support costs			
LGPS	637	637	374
Staff costs	2,257	2,257	2,280
Depreciation	203	203	168
Technology costs	97	97	50
Premises costs	465	465	570
Legal costs – conversion	18	18	3
Legal costs – other	3	3	5
Governance costs	123	123	73
Other support costs	956	956	736
Total support costs	4,759	4,759	4,259

	Educational Operations £'000	2020 Total funds £'000
<i>Analysis of support costs</i>		
LGPS	374	374
Staff costs	2,280	2,280
Depreciation	168	168
Technology costs	50	50
Premises costs	570	570
Legal costs - conversion	3	3
Legal costs – other	5	5
Governance costs	73	73
Other support costs	736	736
Total support costs	4,259	4,259

7 Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2021 £'000	2020 £'000
Wages and salaries	8,042	7,290
Social security costs	770	685
Pension costs	2,547	1,991
	11,359	9,966
Agency staff costs	75	122
	11,434	10,088

Notes to the financial statements Year to 31 August 2021

7 Staff costs (continued)

b. Staff numbers

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

	2021 No.	2020 No.
Teaching	98	99
Administration	29	33
Support	162	136
Management	34	24
	323	292

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	4	5
In the band £70,001 - £80,000	3	3
In the band £80,001 - £90,000	1	—
In the band £90,001 - £100,000	1	1
In the band £100,001 - £110,000	1	1

The above employees participated in the Teachers' Pension Scheme and Local Government Pension Scheme. During the year ended 31 August 2021, pension contributions for these staff amounted to £203,027 (2020 - £177,899).

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was: £328,783 (2020 - £296,685).

8 Central services

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

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

Notes to the financial statements Year to 31 August 2021

8 Central services (continued)

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

A 5% top slice head office recharge for all ESFA income has been received from the following schools within the MAT.

The actual amounts charged during the year were as follows:

	2021 £'000	2020 £'000
Churchfield CE Academy	64	56
Thomas Whitehead CE Academy	47	54
Manshead CE Academy	328	250
Caldecote CE Academy	18	16
Kensworth CE Academy	20	20
Totternhoe CE Academy	32	24
Roxton CE Academy	20	19
Ravensden CE Academy	14	—
Studham CE Academy	16	—
Total	559	439

9 Trustees remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Chief Executive Officer only receives remuneration in respect of services they provide undertaking the role of Chief Executive Officer under their contract of employment. The value of Trustees' remuneration and other benefits was as follows:

		2021 £'000	2020 £'000
Carole Bennett	Remuneration	95-100	90 – 95
	Pension contributions paid	25-30	20 – 25

During the year ended 31 August 2021, no expenses were reimbursed or paid directly to any Trustees (2020 - none)

10 Trustees' and Officers' insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees' and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2021 was included within the wider RPA scheme.

Notes to the financial statements Year to 31 August 2021

11 Tangible fixed assets

	Leasehold buildings £'000	Assets under construction £'000	Leasehold and licence to occupy improvements £'000	Furniture and equipment £'000	Computer equipment £'000	Total funds £'000
Cost/valuation						
At 1 September 2020	4,176	141	1,785	96	366	6,564
Additions	—	258	5	159	97	519
Transfers	399	(399)	—	—	—	—
At 31 August 2021	4,575	—	1,790	255	463	7,083
Depreciation						
At 1 September 2020	99	—	174	21	317	611
Charge in period	33	—	170	22	38	263
At 31 August 2021	132	—	344	43	355	874
Net book value						
At 31 August 2021	4,443	—	1,446	212	108	6,209
At 31 August 2020	4,077	141	1,611	75	49	5,953

Licence to occupy

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

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

Condition Improvement Fund

During the period, 1 Academy had ongoing capital works funded by the Condition Improvement Fund of which have been capitalised under the category of Assets Under Construction.

Notes to the financial statements Year to 31 August 2021

12 Debtors

	2021	2020
	£'000	£'000
Trade debtors	58	141
VAT recoverable	129	70
Other debtors	108	146
Prepayments and accrued income	310	376
	605	733

13 Creditors: Amounts falling due within one year

	2021	2020
	£'000	£'000
Trade creditors	300	226
Taxation and social security	179	154
Other creditors	224	204
Accruals and deferred income	302	341
	1,005	925

	2021	2020
	£'000	£'000
Deferred income at 1 September 2020	174	116
Amounts release from previous periods	(174)	(116)
Resources deferred during the year	222	174
	222	174

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

Notes to the financial statements Year to 31 August 2021

14 Statement of funds

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains (Losses) and transfers £'000	Balance at 31 August 2021 £'000
Unrestricted funds					
General Funds	574	456	(220)	—	810
Restricted general funds					
General Annual Grant (GAG)	—	9,591	(9,485)	(16)	90
Pupil Premium	—	520	(520)	—	—
UIFSM	—	130	(130)	—	—
Catch-up premium	—	184	(148)	—	36
Other DfE/ESFA COVID-19 funding	—	40	(40)	—	—
Other ESFA income	25	—	—	—	25
Conversion grant	20	50	(51)	—	19
Other LA income	—	1,567	(1,567)	—	—
Other grants	—	726	(726)	—	—
Pension reserve	(9,350)	(849)	(794)	(1,340)	(12,333)
	(9,305)	11,959	(13,461)	(1,356)	(12,163)
Restricted fixed asset funds					
DfE capital grants	865	342	(22)	—	1,185
Assets inherited on conversion	4,232	—	(33)	—	4,199
Other capital expenditure	1,227	—	(208)	16	1,035
	6,324	342	(263)	16	6,419
Total Restricted funds	(2,981)	12,301	(13,724)	(1,340)	(5,744)
Total funds	(2,407)	12,757	(13,944)	(1,340)	(4,934)

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

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

Restricted fixed assets funds amounting to £6,209,000 will be reserved against future depreciation charges. The remaining £210,000 relates to unspent capital grants and donations which will be used to enhance the Academy Trust facilities.

Notes to the financial statements Year to 31 August 2021

14 Statement of 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
Unrestricted funds					
General Funds	706	432	(230)	(334)	574
Restricted general funds					
General Annual Grant (GAG)	—	8,828	(9,115)	287	—
Pupil Premium	18	460	(478)	—	—
Other ESFA income	39	478	(492)	—	25
UIFSM	—	128	(128)	—	—
Other DfE/ESFA COVID-19 funding	—	17	(17)	—	—
Conversion grant	—	25	(5)	—	20
Other LA income	10	1,006	(1,016)	—	—
Other grants	—	27	(27)	—	—
Pension reserve	(6,465)	—	(490)	(2,395)	(9,350)
	(6,398)	10,969	(11,768)	(2,108)	(9,305)
Restricted fixed asset funds					
DfE capital grants	281	692	(155)	47	865
Assets inherited on conversion	4,265	—	(33)	—	4,232
Other capital expenditure	1,445	—	(218)	—	1,227
	5,991	692	(406)	47	6,324
Total Restricted funds	(407)	11,661	(12,174)	(2,061)	(2,981)
Total funds	299	12,093	(12,404)	(2,395)	(2,407)

	2021 £'000	2020 £'000
Churchfield CE Academy	223	175
Thomas Whitehead CE Academy	106	53
Manshead CE Academy	142	(105)
Caldecote CE Academy	26	(22)
Kensworth CE Academy	46	(3)
Totternhoe CE Academy	82	(104)
Roxton CE Academy	41	51
Ravensden CE Academy	28	—
Studham CE Academy	107	—
Central Services	179	574
Total before fixed asset funds and pension reserve	980	619
Restricted fixed asset fund	6,419	6,324
Pension reserve	(12,333)	(9,350)
Total	(4,934)	(2,407)

Notes to the financial statements Year to 31 August 2021

14 Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2021 £'000	Total 2020 £'000
Churchfield CE Academy	1,058	274	35	186	1,553	1,413
Thomas Whitehead CE Academy	972	235	9	216	1,432	1,442
Manshead CE Academy	4,240	1,363	295	704	6,602	5,965
Caldecote CE Academy	289	61	6	84	440	392
Kensworth CE Academy	266	135	6	103	510	475
Totternhoe CE Academy	488	175	14	126	803	694
Roxton CE Academy	349	98	7	83	537	480
Central Services	97	506	27	223	853	744
Ravensden CE Academy	328	88	29	43	488	—
Studham CE Academy	313	99	8	43	463	—
Academy Trust	8,400	3,034	436	1,811	13,681	11,605

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2020 £'000
Churchfield CE Academy	964	214	43	192	1,413
Thomas Whitehead CE Academy	1,021	281	17	123	1,442
Manshead CE Academy	3,878	1,110	276	701	5,965
Caldecote CE Academy	281	46	3	62	392
Kensworth CE Academy	312	94	10	59	475
Totternhoe CE Academy	397	144	27	126	694
Roxton CE Academy	323	66	17	74	480
Central Services	102	481	27	134	744
Academy Trust	7,278	2,436	420	1,471	11,605

Notes to the financial statements Year to 31 August 2021

15 Analysis of net assets between funds

Analysis of net assets between funds – current year

	Unrestricted funds 2021 £'000	Restricted funds 2021 £'000	Restricted fixed asset funds 2021 £'000	Total funds 2021 £'000	Total funds 2020 £'000
Tangible fixed assets	—	—	6,209	6,209	5,953
Current assets	810	1,175	210	2,195	1,915
Creditors due within one year	—	(1,005)	—	(1,005)	(925)
Provisions for liabilities and charges	—	(12,333)	—	(12,333)	(9,350)
Total	810	(12,163)	6,419	(4,934)	(2,407)

Analysis of net assets between funds – prior year

	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Restricted fixed asset funds 2020 £'000	Total funds 2020 £'000
Tangible fixed assets	—	—	5,953	5,953
Current assets	574	970	371	1,915
Creditors due within one year	—	(925)	—	(925)
Provisions for liabilities and charges	—	(9,350)	—	(9,350)
Total	574	(9,305)	6,324	(2,407)

16 Reconciliation of net expenditure to net cash provided by operation activities

	Total funds 2021 £'000	Total funds 2020 £'000
Net expenditure for the year (as per Statement of Financial Activities)	(1,187)	(311)
Adjustments for:		
Depreciation	263	267
Capital grants from DfE group and Ashton Foundation	(139)	(352)
Dividends, interest and rents from investments	(1)	1
Defined benefit pension scheme obligation inherited	849	—
Defined benefit pension scheme cost less contributions payable	637	374
Defined benefit pension scheme (finance income)/cost	157	116
Decrease in debtors	128	716
Increase/(decrease) in creditors	80	(404)
Net cash used in operating activities	787	407

Notes to the financial statements Year to 31 August 2021

17 Cash flows from investing activities

	Total funds 2021 £'000	Total funds 2020 £'000
Dividends, interest and rents from investments	1	(1)
Purchase of tangible fixed assets	(519)	(510)
Capital grants from DfE Group and Ashton Foundation	139	352
Net cash used in investing activities	(379)	(159)

18 Analysis of cash and cash equivalents

	Total funds 2021 £'000	Total funds 2020 £'000
Cash in hand and at bank	1,590	1,182
Total cash and cash equivalents	1,590	1,182

19 Conversion to an academy trust

On 1 October 2020 Studham CE Academy converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Diocese of St Albans Multi- Academy Trust from Central Bedfordshire Council for £NIL consideration.

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

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

	Unrestricted funds £'000	Restricted funds £'000	Total funds 2021 £'000	Total funds 2020 £'000
Cash	128	—	128	—
LGPS pension surplus deficit	—	(330)	(330)	—
Total	128	(330)	(202)	—

On 1 January 2021 Ravensden C of E Academy converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Diocese of St Albans Multi- Academy Trust from Central Bedfordshire Council for £NIL consideration.

Notes to the financial statements Year to 31 August 2021

19 Conversion to an academy trust (continued)

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

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

	Unrestricted funds £'000	Restricted funds £'000	Total funds 2021 £'000	Total funds 2020 £'000
Cash	1	—	1	—
LGPS pension deficit	—	(519)	(519)	—
Total	1	(519)	(518)	—

20 Contingent asset

During 2019 the year the trustees of Diocese of St Albans Multi-Academy Trust were informed by Ashton Schools Foundation of an allocation of funds of up to £1.4 million for Manshead academy following the sale of Ashton Middle School.

£203,000 has been recognised as income in the financial statements of the Academy to 31 August 2021, being a project agreed in the year for funding by Ashton Schools Foundation. There remains a potential fund of £564,171 to claim in future periods on relevant projects. This funding remains conditional and subject to prior approval by the Ashton Schools Foundation.

21 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Borough of Sutton, London Borough of Croydon and Royal County of Berkshire pension funds. Both are multi-employer defined benefit schemes.

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

£220,839 was payable to the schemes at 31 August 2021.

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.

21 Pension and similar obligations (continued)

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 year amounted to £1,466,543 (2020: £992,217).

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.

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £917,000 (2020: £766,000), of which employer's contributions totalled £753,000 (2020: £620,000) and employees' contributions totalled £164,000 (2020: £146,000). The agreed contribution rates for future years are 29.2% for employer's contributions from 1 September 2021 and a range of 5.5% - 12.5% for employees. A further increase in the employer's rate will take effect from 1 April 2022 to 31.2%.

Notes to the financial statements Year to 31 August 2021

21 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme (continued)

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.

	At 31 August 2021	At 31 August 2020
Principal Actuarial Assumptions		
Rate of increase in salaries	3.8%	3.2%
Expected return on scheme assets at 31 August	1.9%	1.6%
Rate of increase for pensions in payment / inflation	2.9%	2.2%
Discount rate for scheme liabilities	1.9%	1.6%

Local Government Pension Scheme (LGPS)

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

	At 31 August 2021	At 31 August 2020
<i>Retiring today</i>		
Males	21.9	22.3
Females	24.3	24.3
<i>Retiring in 20 years</i>		
Males	22.9	23.3
Females	26.0	26.0

	At 31 August 2021 £'000	At 31 August 2020 £'000
Sensitivity analysis		
0.1% decrease in Real Discount Rate	356	320
0.1% increase in the Salary Discount Rate	73	29
0.1% increase in the Pension Increase Rate	396	287
Discount rate +0.1%	(388)	(283)
Discount rate -0.1%	317	289
Mortality assumption - 1 year increase	696	370
Mortality assumption - 1 year decrease	(471)	(360)
CPI rate +0.1%	396	242
CPI rate -0.1%	(432)	(236)

Notes to the financial statements Year to 31 August 2021

21 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

The Academy'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	3,579	2,268
Corporate bonds	1,097	713
Property	514	328
Cash and other liquid assets	164	187
Total market value of assets	5,354	3,496

The actual return on scheme assets was £1,858,000 (2020 - £806,000)

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

	2021 £'000	2020 £'000
Current service cost	1,388	994
Interest income	(68)	(44)
Interest cost	225	160
Total amount recognised in the SOFA	1,545	1,110

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

	Total 2021 £'000	Total 2020 £'000
At 1 September	12,846	8,550
Conversion of academy trusts	1,053	—
Interest cost	225	160
Employee contributions	164	146
Actuarial losses	1,781	3,157
Benefits paid	230	(161)
Past service costs	—	—
Current service cost	1,388	994
At 31 August	17,687	12,846

Changes in the fair value of the Academy's share of scheme assets:

	Total 2021 £'000	Total 2020 £'000
At 1 September	3,496	2,085
Upon conversion	204	—
Interest income	68	44
Actuarial (losses)/gains	441	762
Employer contributions	751	620
Employee contributions	164	146
Benefits paid	230	(161)
At 31 August	5,354	3,496

Notes to the financial statements Year to 31 August 2021

22 Related party transactions

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

The Diocese of St Albans charged expenses relating to SIAMS visits, conversion costs and training courses during the period of £3,404 (2020 - £1,000). The element above £2,500 has been provided 'at no more than cost'.

The Rt Rev'd Richard Atkinson is a Governor of The University of Bedfordshire. During the year, The University of Bedfordshire charged expenses relating to tuition fees of £1,800 (2020: £8,750 for training courses).

23 Operating lease commitments

At 31 August 2021 the Academy Trust has commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £'000	2020 £'000
Not later than 1 year	17	3
Later than 1 year and not later than 5 years	25	—
	<u>42</u>	<u>3</u>

24 Members' liability

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

25 Post balance sheet events

On 1 September 2021, Northill C of E Village School joined the academy trust as a conversion from the Local Authority. The operations, buildings, pension obligations and fund balances of the school were transferred to the academy trust for £nil consideration.