Registered number: 07527108

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THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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THE DENBIGH ALLIANCE
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2018

Members	Mr W G Butler (resigned 26 April 2018) Mr J S Howe (resigned 26 April 2018) Mr A P Dransfield Ms S McGuire Mr T Naylor The Reverend S Grenham-Thompson (resigned 20 August 2018) Rear Admiral R Lane-Nott
Trustees	Mr W G Butler, Chair of Trustees (resigned as Chair of Trustees 9 March 2018) Mr J S Howe, Chair of Trustees (appointed as Chair of Trustees 9 March 2018)[1] Mr A Squires, Headteacher, CEO and Principal Accounting Officer[1] Mr A P Dransfield[1] Ms S McGuire[1] Mrs D Plumb Mr B R Hawthorne[1] Mr C Solloway, Parent Trustee Mr A Hornshaw, Parent Trustee[1] Mrs J E Flint (resigned 21 May 2018) Mrs D J Sporn[1] Mr A F Loftman (appointed 1 August 2017, resigned 15 November 2017) Mrs M O'Brien (appointed 2 July 2018) Mr J Cove (appointed 10 October 2018) [1] Members of the Finance and Buildings committee
Company registered number	07527108
Company name	The Denbigh Alliance
Principal and registered office	Burchard Crescent Shenley Church End Milton Keynes Buckinghamshire MK5 6EX
Senior management team	Mr A Squires, Headteacher Mr I Bacon, Senior Deputy Headteacher Miss J Barford, Assistant Headteacher Miss L Dale, Assistant Headteacher Dr A Frame, Deputy Headteacher Miss J Morton, Assistant Headteacher Mr P Myers, Deputy Headteacher Mr C Price, Assistant Headteacher Mr S Goodall, Assistant Headteacher Mrs H Brown, Assistant Headteacher Mr J Waters, Assistant Headteacher Mr A Steed, Assistant Headteacher

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

Advisers (continued)

Independent auditor	MHA MacIntyre Hudson Chartered Accountants Statutory Auditors Peterbridge House The Lakes Northampton NN4 7HB
Bankers	HSBC 63 George Street Luton LU1 2AR
Solicitors	Stone King LLP Wellington House East Road Cambridge England CB1 1BH

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Denbigh Alliance Multi Academy Trust converted from its previous status as a Single Academy Trust (known as Denbigh School) on 18th March 2017.

The Trust operates an academy for pupils aged 11 to 18 serving a catchment area to the western side of Milton Keynes. Students on roll totalled 1,601 as at the Spring School Census 2018. The School commenced the planned pupil expansion in September 2015 effecting an increase in 60 students per year until 2020.

Structure, governance and management

CONSTITUTION

The Trust is a company limited by guarantee (registered number 7527108) and an exempt charity.

The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust

The Denbigh Alliance became a Multi Academy Trust converting from its previous status of converter academy and Denbigh School on 18th March 2017. The trustees of The Denbigh Alliance are also the directors of the charitable company for the purpose of company law.

The charitable company is known as The Denbigh Alliance. The Denbigh Alliance currently includes Denbigh School.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

MEMBERS' LIABILITY

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

TRUSTEES' INDEMNITIES

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. Details of the costs can be found in note 12 of the accounts.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The members of the trust are responsible for the appointment of trustees with the exception of two parent trustees and two staff trustees who will be appointed through an election process directed by the local Governing Body. In the event that these positions are not filled, the members of the trust are able to appoint to these positions.

The number of trustees shall be not less than three and shall be subject to a maximum of 15.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Trustees' appointments are based on the skills that they will bring to the Governing Body, or based on a proposal to the Governing Body. On appointment, trustees receive information relating to the Trust and Governing Body, attend a briefing and receive an induction pack and training on the role and responsibilities of governors.

During the year, Trustees are offered ongoing training, and all new and existing Trustees and local governors receive annual safeguarding training.

ORGANISATIONAL STRUCTURE

The governance of the trust is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

During the 2017/18 academic/financial year the Trustees reviewed the governance and organisational structure of the Trust, and as a result, created and implemented a three tier model, becoming effective from July 2018, as follows:

Members (for the Multi Academy Trust)
Trustees (of the Multi Academy Trust)
Local Governors (for each school within the Trust, current Denbigh School)

The Committees of the Trust are as follows, and replace the previous committee structure from September 2018:

Standards Committee (covering educational matters, results, curriculum)
Resources Committee (covering finance, health and safety, buildings, human resources)
Audit and Risk Committee
Remuneration and Nominations Committee
Local Governing Body Committee (will include sub-committees for finance and buildings, HR, Premises, Curriculum, School Trips and Student Affairs)

All Committee minutes are published to the Board of Trustees, who meet on at least 3 occasions per year.

In order to evaluate the needs of the Trust, a sub-committee of Trustees was established in early 2018 to review the Terms of Reference, to ensure good practice and governance following the Trust becoming multi-academy in 2017.

A revised Terms of Reference structure and document was created, and proposed to Trustees. Following a critical review by Trustees the revised Terms of Reference structure of governance was approved in July 2018. This document determines the overriding structure and governance of the Trust and its schools. It was agreed to review the document and its governing and guiding principles on an annual basis.

The day-to-day running of the Trust and School is delegated by the Trust to the Headteacher and Chief Executive Officer (CEO), Mr Andy Squires, who is the Accounting Officer of the Trust.

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

The review of pay for senior leadership personnel takes account of the performance of the organisation, and individuals' results, and is measured using the School's Pay and Appraisal policies.

The Headteacher and CEO's salary together with the deputy and assistant headteachers' salaries is reviewed by the Chair and Vice Chair of Trustees on an annual basis.

From September 2018 a Remunerations and Nominations Committee has been established by Trustees. This Committee will review pay, and determine and recommend senior pay levels and awards, and any appropriate advancements.

TRADE UNION FACILITY TIME

The trust has one relevant union official, who is a full time employee. The percentage of time allocated to union duties during the year was 1%, equating to £652.

RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS

W G Butler, A P Dransfield, and J S Howe, are trustees of The Denbigh Alliance, are also directors of Shenley Leisure Centre Trust. The academy trust leases the leisure centre to the Shenley Leisure Centre Trust for a peppercorn rent. Details of transactions with the trust in the year are disclosed in note 24 to the financial statements.

Objectives and Activities

OBJECTS AND AIMS

The Trust's object is to advance for the public benefit education for children aged 11 to 19 by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The Trustees' vision is to create a culture of success to extend lifetime opportunities for young people and to do everything possible to encourage this. Denbigh School is recognised by Ofsted as an Outstanding School and as such was one of the first group of schools across the county to be offered the opportunity by the Government to convert to academy status. This opportunity was taken as it offered the School additional freedom and resources to drive the School forward.

Students are offered a supportive, positive and dynamic learning environment that enables them to focus on their studies and extra curricular activities. As a result, students achieve academic and technological excellence and extend their sporting, artistic and musical accomplishments.

The Trust fosters personal development that helps students to find meaning in their lives and respond with creativity and determination to the challenges that arise through the rapid pace of social change.

OBJECTIVES, STRATEGIES AND ACTIVITIES

The Trust's objective for the year ended 31st August 2018 was to raise the attainment level of all students through care and well being, curriculum structure, teaching and learning, and leadership development.

Student roll - the total number on roll for the period 1st August 2017 to 31st August 2018 was 1,601.

Admissions - the School is currently over subscribed by a ratio of approximately 3:1 with more than 1,200 applications being received for the 260 available places for the September 2017 year 7 intake. This compares to similar numbers for the previous year (September 2016 intake) at 1,100 applications for 260 places.

Attendance - the attendance level achieved for the year ending August 2018 was 96% and the School has maintained this level of attendance since 2013.

Permanent exclusions – there were no permanent exclusions for the year ending August 2018.

Staffing - the average number of (full time equivalent) teaching and admin/support staff employed during the year ended 31st August 2018 was 200 (2017: 188).

Staff turnover was 14% for the year.

PUBLIC BENEFIT

The Trust will promote, for the benefit of inhabitants of Milton Keynes, and the surrounding area, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances, or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Trust has

adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

STRATEGIC REPORT

Review of Activities

The Trust achieved very strong results in English and Maths in 2018 (the Basics measures), confirming its top position in Milton Keynes again. Progress, as measured by 'Progress 8' however, was disappointing.

During the year the Trust entered into a local competition to run the new secondary school in the Western Area Expansion in Milton Keynes.

Despite very tough local and National competition, The Denbigh Alliance was successful, and will be opening the school, named Watling Academy, in September 2020.

The Trust has created a local governing body for Watling Academy and appointed an interim headteacher.

REVIEW OF RESULTS

1. The academic examination results for the School's GCSE (KS4) results:

KS4 GCSE		2018	2017	2016
A8 score/grade		4.92	5.39 (B-)	5.72 (C+)
Basics:	% 9-4^	75.5	77.6	75.0
	% 9-5	59.2	55.6	n/a
Ebacc:	APS	4.55	-	-
	% 9-4*	35.2	31.6	28.6
	% 9-5**	23.5	30.6	n/a

^Eng/Ma A* -C 2016
Eng/ma 9-4 2018 & 2017, A-C. Sci, lang & Hums 9-4 2018, A* -C 2017 & 2016
**Eng/ma 9-4 2018 & 2017, A*-C 2016. Sci, lang & hums 9-5 2018, A*-C 2017

2 Results showing year on year comparisons for A Level (KS5) results:

KS5 – A Level	2018	2017	2016
APS per entry score/grade	31.4 (C)	30.5(C)	30.2 (C)
APS best 3 entries score/grade	31.1 (C)	31.9 (C+)	30.3 (C)
% AAB+ in at least 2 fac subjects	9.5	14.5	9.8

KEY PERFORMANCE INDICATORS

The School was graded "Outstanding" by Ofsted in 2009.

The Fischer Family Trust (FFT) is the adopted performance measure and target monitoring tool and is used for all years (7 to 13). The targets provided by the Fischer Family Trust take into account past performance and the profile of student intake.

Denbigh uses targets based on the Fischer Family Trust Aspire 20 grading system (representing the top 20% of schools nationally) as a starting point for setting student targets.

The average point scores per entry at Year 13 for vocational qualifications for 2018 was 31.4 (2017 30.5, 2016 30.2) with 100% of the cohort achieving one or more passes.

Students making the expected levels of progress in English and Maths are above national averages and FFT targets.

66% of year 11 students choose to study at Denbigh's Sixth Form, and 70% of sixth formers go on to university degree courses.

Attendance levels were recorded at 96% for both 2018 and 2017.

TEACHING SCHOOL

The school has successfully completed its sixth year, and funding has been secured until 2020. Work continues around the major themes highlighted by the 'National College for Teaching and Leadership'. Highlights below of a number of its projects and achievements:

- The SLP has supported 8 secondaries to enable them to develop triple science programmes. These are in Northants, Luton and MK. Impacts include: rewriting of schemes of work in light of CPD; better understanding of requirements of new courses; development of classroom pedagogy to meet the requirements of the new exams, alterations to KS4 whole school curriculum in one school to enable more students to study triple science; increased staff confidence; improved student confidence and progress reported in one of the schools.

- The SLP has provided bespoke support for 6 primaries which has been positively evaluated. Impacts include: increased staff confidence; more practical activities used in lesson; greater range of ideas for working scientifically.

- Teaching Schools MK has run SLE designation rounds and training and worked jointly to promote CPD through the Teaching Schools MK newsletter. Oakgrove has supported SSIF bids and initial ideas have been discussed with MKTSA although the differing foci of the bids meant that a deeper level of collaboration was not appropriate.

- The teaching school has worked with the LA, local secondaries, other TSAs, schools from Northants, subject associations and STEM learning to submit SSIF bids in rounds 2 and 3. Despite encouraging feedback from the Regional Schools Commissioner's office, these were not successful. The most recent feedback included this general comment about the process: "this small number of approvals [nationally] represents a ministerial shift towards new priorities and not just the quality of applications received."

- The teaching school has continued to maintain its partnership with the OU, developing a programme to support post-graduate researchers who are interested in teaching. The teaching school will offer a short school experience which include the opportunity to observe a lesson and deliver part of a lesson to yr 12/13 students in areas relevant to the students' courses and the researchers' area of expertise. The OU has continued to work with Denbigh to provide the STEM lectures.

- The Teaching School has been involved in the development of the DFE's workload reduction toolkit. Working alongside schools from the North of England, we devised a range of practical strategies to support teachers and school leaders in making workload more manageable, targeting key areas of difficulty.

In addition the Teaching School will continue to:

- Develop high quality leadership pathways for aspirant leaders.
- Further develop its research and development portfolio to inform developments in teaching and learning.

SCITT

The SCITT has completed its third year in September 2018 having had another excellent year.

Following the Ofsted inspection, the SCITT was delighted to learn and receive and be rated as "Outstanding" in November 2017. All aspects of the SCITT provision were rated in the highest category. Below is an extract from the Ofsted report:

- 'The majority achieve the highest level of attainment.'
- 'Trainees receive exemplary training.'
- 'Tommy Flowers SCITT benefits from ambitious, thoughtful, responsive and inspiring leadership.'
- 'Trainees are fulsome in their praise for the programme.'

Trainee numbers remain strong with 38 planned to begin the programme from September 2018.

From the 23 secondary trainees (who started courses in 2017), 14 took up employment in Milton Keynes, and 20 completed this secondary course.

From 15 primary trainees, 12 took up employment in MK, with 14 completing the course.

In summary over the past four years 94 trainees have trained with the SCITT and successfully qualified as teachers, the vast majority going on to work in the Milton Keynes area.

Maths Hub

The school is the Strategic Lead School for the Enigma Maths Hub, which covers a geographical area including Milton Keynes, Buckinghamshire, Northamptonshire, Bedfordshire, Luton and East Oxfordshire. The Maths Hub works to improve outcomes in mathematics for schools and pupils through high quality CPD for teachers and opportunities for students across all phases from Early Years to Post 16.

The Hub draws its strategic partners from Teaching School Alliances across the region, links with Mathematical Associations such as the National Centre for Excellence in Teaching Mathematics (NCETM), NRICH, Mathematics in Education and Industry (MEI) and the Further Maths Support programme (FMSP). It also benefits from strategic links with Higher Education providers such as the Open University and the University of Northampton.

The Hub has successfully completed its first four years in operation, making demonstrable impact in development of mathematics teaching and opportunities in a wide range of contexts. Specifically, the Hub has addressed the following areas of National priority:

- Embedding a teaching for mastery approach to mathematics teaching in primary schools
- Building expertise in teaching for mastery in secondary schools
- Increasing participation in mathematical courses post 16 including A-level and Core Maths
- Developing pedagogical approaches to teaching mathematical reasoning, multiplicative relationships and the new GCSE curriculum
- Establishing a network of local leaders of mathematics within the region

GOING CONCERN

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

Financial review

The trust's financial position demonstrates total income of £9,002,737 (excluding restricted fixed asset funds) with a deficit at 31 August of £215,903 (excluding restricted fixed asset funds and actuarial gains and losses in the year). The deficit has been allocated to reserves.

Reserves were utilised for ICT development and replacement, and for refurbishment, general repairs and improvements to the facilities as part of the School's continuous improvement plan. This ensures the general decoration, maintenance and repairs are maintained at the highest standards.

The School received a Condition Improvement Fund (CIF) grant to replace two astro-turf courts. The work commenced mid August 2018 and is expected to be completed by end of September 2018.

The principal financial management policies adopted in the year are:

• conducting regular financial reviews of income and expenditure versus planned budgets at the trustees' Finance and Buildings Committee meetings;

• consideration as to whether the financial income demonstrates a robust and stable position enabling the provision of sufficient quality resources to fulfil the School's educational obligations;

Reserves carried forward at 31 August will be utilised as part of the medium and long term plans of the School to improve and update its educational resources, materials and equipment, and additionally provide a continuous improvement plan to maintain and repair the Site and facilities. The Trust considers it prudent to maintain a level of reserves to cover unexpected or emergency issues.

RESERVES POLICY

The level of reserves held at 31 August total £24,997,047 of which £315,745 are deemed to be free reserves. The reserves will be allocated and spent as part of School Improvement Plan to update, improve and maintain its facilities and resources. Reserves are utilised for capital expenditure projects to ensure the facilities are maintained and updated to the highest standards, and for IT replacement projects.

The academy trust has recognised its share of the Local Government Pension Scheme (LGPS) assets and liabilities in accordance with Financial Reporting Standard no.17 applicable in the UK and in Ireland.

At 31 August 2018 the total funds comprised:

		£
Unrestricted		
Restricted	Fixed asset funds	315,745
	GAG	26,899,427
	Pension reserve	(2,708,000)
	Other	489,875
		24,997,047

The deficit on the pension reserve relates to the non teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 22. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for the use of the general purposes of the academy trust, at the discretion of the trustees. The aim of the trustees is to maintain adequate levels of reserve to meet future working capital requirements.

MATERIAL INVESTMENTS POLICY

An Investment Policy has been adopted and implemented by the trustees.

The aim of the policy is to ensure funds that the School does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the School's income but with minimal risk. The aim is to research where funds may be deposited applying prudency in ensuring there is minimum risk. The School does not consider the investment of surplus funds as a primary activity, rather as a result of good stewardship and as and when circumstances allow.

The School will, after constructing and reporting forecasts versus budgets consider whether it is prudent to deposit funds into an account where improved terms are offered. As improved terms are generally only offered where funds are invested for a fixed term, it may be prudent for the School not to invest funds in this manner.

PRINCIPAL RISKS AND UNCERTAINTIES

The School has implemented a Risk Management Policy and Risk Register in order to assess and consider whether treatment or transfer of certain risks is necessary. The process has enabled the School to adopt a structure that considers risk and review in the decision making process. The objectives are to determine an approach, and where it is considered necessary, put in place measures of control and mitigation in order to manage risk.

The principal risks are the loss of reputation through falling standards, falling student rolls and failure to safeguard the students of the School.

Key controls to mitigate risks are in place as follows:

1. An organisational structure with defined roles, responsibilities and authorisation levels as contained in the Trust's Terms of Reference document.

2. Terms of reference for the committees of the Trust and Governing Body – a sub-committee was instigated to conduct a full review and revisions were made to the Terms of Reference in order to demonstrate a robust structure is in place for the Trust and its schools.

3. Financial planning, budgeting and regular management reporting highlighting areas of financial risk.

4. Formal written and published policies are in place for employees, and are regularly reviewed and updated.

5. Vetting procedures as required by law for the protection of the vulnerable.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The Trust has in place risk-management procedures as outlined above. The Trustees have assessed the major risks to which the academy trust is exposed and conducted a formal review of the trust's risk management process using the adopted Risk Register. The risk management process and review of major risks is undertaken on an annual basis.

Risk management

The Trustees have assessed the major risks to which the academy trust is exposed, in-particular those related to the operations and finances of the trust, and are satisfied that systems are in place to mitigate any exposure to major risks.

A formal review of the trust's risk management process is undertaken on an annual basis and key controls in place include:

- Formal agendas and minutes for all committee activity;
- Principles of the Scheme of Delegation and Terms of reference for all Trustee meetings under the direction of the Board of Trustees;
- Pecuniary interests of trustees reviewed at each meeting;
- Comprehensive budgeting and management reporting;
- Established organisational structure and clear lines of reporting;

- Formal written policies including a Risk Management Policy and Risk Register;
- Clear segregation, authorisation and approval levels.

Fundraising

The Trust's approach to fund raising is that bids for funds must only be submitted to bona-fide organisations, and that funds raised must be used for the benefit of student' education or activities aligned to their education.

The Trust does participate in the National round of capital fund-raising, such as the Condition Improvement Fund, and during the 2017/18 year, was successful in being awarded funds contributing to the restoration of two astro-turf sports courts. Successful bids raised through the Condition Improvement Fund process follow the normal Trust tendering policies and procedures. The Trust considers public grant funding awards and information supplied to it, and investigates whether it is appropriate to bid for funding from such organisations for specific projects. The Trust has also bid for funding to the ESFA to support and grow the number of schools within the Trust, and to support the cost of bidding for new schools, and schools undergoing challenges. This bid was successful and in 2017/18 the Trust was awarded £80,000 for this purpose.

The students of the Trust participate in and raise funds for local charities. Funds raised by the students are paid directly to the charities for which funds are collected.

Plans for future periods

FUTURE DEVELOPMENTS

Whole School objectives for the 2018-19 year include:

To continue to develop and fully embed changes and improvements supporting the 5 year curriculum as follows:

Teaching and learning
- To further develop and improve quality and consistency
- To continue to improve behaviour for learning in the classroom

Marking and feedback
- To develop and improve quality and consistency

Curriculum and Asessment
- To further develop the new grading assessments (9-1)
- New A Level specifications

To carefully plan and manage the continuing growth of The Denbigh Alliance due to expanding pupil numbers in both the main School and Sixth Form.

To plan for and manage the building for the new Watling Academy (due to open in September 2020) and to design and create a teaching and operating structure. Detailed planning and timelines will be agreed in terms of procurement of contracts and services, and the recruitment of staff, however this is not expected to commence until September 2019 in readiness for the opening of the School in 2020.

Teaching School objectives

The Teaching School will continue to increase the numbers of well qualified trainees coming through teacher training ranks into Milton Keynes schools.

The Teaching School will continue to provide Science support through CPD, triple science and priority primary schools, meeting targets set by STEM learning.

The Teaching school will continue to work with MK secondaries, developing a programme of CPD through subject leader network meetings and courses targeted around local needs in Science and Humanities.

The Teaching School will continue to provide leadership development through the NPQML, SL and NPQH programmes.

Provide effective support for early career teachers at a local secondary school as part of the DFE's drive to improve teacher retention.

Maths Hub objectives

Future Maths Hub objectives will be built around a number of Key National collaborative projects and identified local priorities that will be addressed through professional learning activities both in and outside the classroom. A vital part of our work this year will be developing networks of local leaders of mathematics education (LLME) and ensuring that mathematics SLEs are up to date with the latest pedagogical developments. This year we will also be supporting the recruitment and supply of Mathematics teachers through the TSST programme delivered by the Denbigh Teaching School Alliance and holding a number of engagement events for NQTs and ITT trainees.

Below are a number of National Collaborative projects for 2018/19:

1. Developing and embedding a 'Mastery' approach to teaching mathematics at both Primary and Secondary.

2. Creating and exploiting professional expertise through local and national leadership in mathematics teaching, including NCETM accredited PD lead programmes and developing partnerships with ITT providers.

3. Addressing sector specific mathematics professional development in a number of areas including:

    - Early Years, Primary SKE, and Primary Teaching Assistant SKE
    - Y5-Y8 continuity
    - Secondary Teaching Assistant SKE
    - Mathematical thinking for GCSE
    - Challenging topics at GCSE
    - Post-16 GCSE Resit
    - Post-16 Core Maths
    - Embedding A-level Technology
    - Developing A-level Teaching

SCITT Objectives

The SCITT begins its fourth year in September 2017 after securing significant successes since its inception in September 2015.

The SCITT has been and continues to be a successful strategy in training graduates to become teachers, supporting both the National and local need for the recruitment of teachers.

The SCITT will continue to work in partnership with schools across Milton Keynes and the surrounding area.

The teacher training programmes will continue to provide access to outstanding training, mentoring and pastoral care.

The objective with be to create a varied experience for trainees that propels and inspires them to become excellent teachers for the children of Milton Keynes. The aim is to nurture trainees into becoming exceptional teachers who develop positive attitudes to learning and behaviour in their pupils, have strong subject and professional knowledge, and engage ehtier classes with enthusiasm and energy.

SCITT will this year, expand into the Assessment Only route for a small number of trainees, and plans to review the Apprenticeship route in addition will be conducted, to ascertain whether this presents a further opportunity to train and ensure increasing qualified teachers into the profession.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The School operates a School Fund account with a separate accounting system and bank account, for the purpose of managing income and expenditure for trips, activities and other events undertaken for students. The income and expense and fund balances are included in the year end accounts of the academy trust for the year ended 31st August 2018.

DISCLOSURE OF INFORMATION TO AUDITOR

In so far as the trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 5 December 2018 and signed on its behalf by:

.....
Mr J S Howe
Chair of Trustees

.....
Mr A P Dransfield
Trustee

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that The Denbigh Alliance has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day to day responsibility to the Headteacher, 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 Denbigh School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr W G Butler, Chair of Trustees	3	3
Mr J S Howe, Chair of Trustees	3	3
Mr A Squires	3	3
Mr A P Dransfield	3	3
Ms S McGuire	2	3
Mrs D Plumb	3	3
Mr B R Hawthorne	3	3
Mr C Solloway	3	3
Mr A Hornshaw	3	3
Mrs J E Flint	3	3
Mrs D J Sporn	3	3
Mrs M O'Brien	1	1

Changes were made to the number of Members of the Trust, with two Members resigning, Mr John Howe and Mr William Butler. (Note both of the Members who resigned remain trustees). The Members therefore consist of five in total, and this achieves a reduction in the number of members who are also trustees.

A new Trustee, Ms M O'Brien was recruited in June and joined the Trust in July 2018. Mrs J Flint resigned in May 2018.

The Board of Trustees consider it important that the quality and breadth of experience and competence of the Trustees is vital in ensuring a robust review of both financial and educational data is explored, reviewed and challenged.

GOVERNANCE STATEMENT (continued)

During the 2017-18 year a sub-committee was formed by the Trustees to carry out a review of the Terms of Reference, considering the changes that have arisen through becoming a multi academy trust in 2017. The remit of the sub-committee was to consider and create a structure of governance fit for purpose, and for the future and growth of the Trust, thereby ensuring the structure included schools that are and become part of the Trust.

A detailed process of review was undertaken by the sub-committee, and a revised structure was developed, creating a future-fit and sustainable governance model.

The revised structure and governance document was proposed for Trustee review, and was agreed and approved by the Board of Trustees in July 2018. The Terms of Reference document may be accessed via the Trust's portal (www.denbigh.net).

Further, and as a result of the review and revised Terms of Reference, two new committees were created: Audit and Risk and Remunerations and Nominations. Both will be implemented from September 2018.

Attendance at Finance and Buildings Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr A Squires	6	7
Mr J S Howe	7	7
Mr A P Dransfield	6	7
Ms S McGuire	7	7
Mr M S Rawlinson	5	7
Mr B R Hawthorne	5	7
Mr A Hornshaw	3	7
Mrs D J Sporn	5	7

REVIEW OF VALUE FOR MONEY

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate.

The accounting officer for the academy trust has delivered improved value for money during the year by:

- Conducting regular reviews of the School's financial position and forecast versus the annual budgets, taking any necessary action to manage expenditure.
- Presenting monthly management accounts to the Finance and Buildings Committee for scrutiny and review.
- Conducting a review of the associate staffing support structures and implementing a revised service with greater centralisation and cross functional cover provision.
- A continuous review approach is in place in regard to operational expenditure and is imbedded into the organisation's approach. Examples include the implementation of rigorous reviews of vacant staff positions to consider updating the ways of working and operational infrastructure. The site teams continue to review the structure and expenditure relating to the site and premises, wherever possible considering whether the training and development of staff serves to create efficient use of resources.

GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Denbigh School for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's risks.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and Buildings Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Thompsons MK as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Three audits were carried out during the year 1 September 2017 to 31 August 2018 and findings were reported to the Finance and Buildings Committee. There were no material control issues arising as a result of the RO's work. Tests carried out included:

- Testing of management reports to system generated reports.
- Testing of bank balances and bank reconciliations.
- Testing of purchase ledger orders versus respective invoices and payments made.
- Testing of payroll systems.

GOVERNANCE STATEMENT (continued)

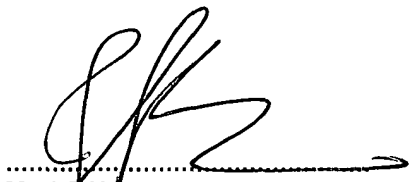
REVIEW OF EFFECTIVENESS

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

- the work of the Responsible Officer;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 5 December 2018 and signed on their behalf, by:



Mr J S Howe
Chair of Trustees



Mr A Squires
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Denbigh Alliance I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non compliance with ESFA terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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



.....
Mr A Squires
Accounting Officer

Date: 5th December 2018

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

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

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

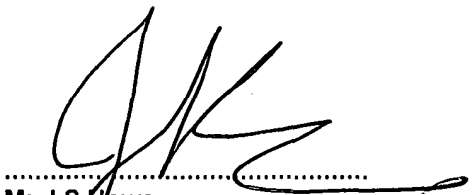
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP; 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the board of trustees on 5 December 2018 and signed on its behalf by:



Mr J S Howe
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE DENBIGH ALLIANCE

OPINION

We have audited the financial statements of The Denbigh Alliance (the 'academy trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating income and expenditure account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE DENBIGH ALLIANCE

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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE DENBIGH ALLIANCE

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

USE OF OUR REPORT

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

Elaine Olson-Williams FCCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB
Date: 20 December 2018

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE DENBIGH ALLIANCE AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 20 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Denbigh Alliance during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Denbigh Alliance and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Denbigh Alliance 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 The Denbigh Alliance and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DENBIGH ALLIANCE'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of The Denbigh Alliance's funding agreement with the Secretary of State for Education dated 25 October 2010, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE DENBIGH ALLIANCE AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

The work undertaken to draw to our conclusion includes:

- Reviewing the minutes of meetings of The Academy Trust and other evidence made available to us, relevant to our consideration of regularity;
- A review of the objectives and activities of The Academy Trust, with reference to the income streams and other information available to us as auditors of The Academy Trust;
- Testing a sample of payroll payments to staff;
- Testing a sample of payments to suppliers and other third parties;
- Testing a sample of grants received and other income streams;
- Evaluating the internal control procedures and reporting lines, and testing as appropriate;
- Making appropriate enquiries of the Accounting Officer.

CONCLUSION

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

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB

Date: 20 December 2018

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	3	-	-	**176,607**	**176,607**	29,974
Charitable activities:	4					
Funding for the academy trust's educational operations	29	-	**8,220,820**	-	**8,220,820**	7,755,790
Other trading activities	5	**89,988**	**167,909**	-	**257,897**	234,170
Investments	6	**5,022**	-	-	**5,022**	-
Teaching School		-	**518,998**	-	**518,998**	562,563
TOTAL INCOME		**95,010**	**8,907,727**	**176,607**	**9,179,344**	8,582,497
EXPENDITURE ON:						
Raising funds		**131,679**	**165,622**	-	**297,301**	175,209
Charitable activities:						
Academy trust educational operations		-	**8,448,790**	**842,277**	**9,291,067**	9,057,281
Teaching School		-	**455,942**	-	**455,942**	503,996
TOTAL EXPENDITURE	7	**131,679**	**9,070,354**	**842,277**	**10,044,310**	9,736,486
NET BEFORE TRANSFERS		**(36,669)**	**(162,627)**	**(665,670)**	**(864,966)**	(1,153,989)
Transfers between funds	17	-	**(16,607)**	**16,607**	-	-
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES		**(36,669)**	**(179,234)**	**(649,063)**	**(864,966)**	(1,153,989)
Actuarial gains on defined benefit pension schemes	22	-	**748,000**	-	**748,000**	1,142,000
NET MOVEMENT IN FUNDS		**(36,669)**	**568,766**	**(649,063)**	**(116,966)**	(11,989)
RECONCILIATION OF FUNDS:						
Total funds brought forward		**352,414**	**(2,786,891)**	**27,548,490**	**25,114,013**	25,126,002
TOTAL FUNDS CARRIED FORWARD		**315,745**	**(2,218,125)**	**26,899,427**	**24,997,047**	25,114,013

THE DENBIGH ALLIANCE

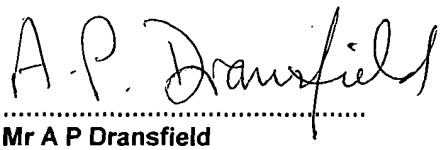
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07527108

BALANCE SHEET
AS AT 31 AUGUST 2018

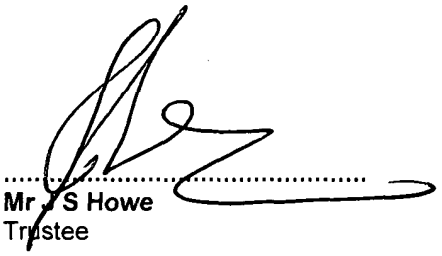
	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		**26,305,867**		27,029,447
CURRENT ASSETS					
Debtors	14	**258,876**		184,444	
Cash at bank and in hand	20	**1,950,561**		1,763,209	
		2,209,437		1,947,653	
CREDITORS: amounts falling due within one year	15	**(784,007)**		(778,712)	
NET CURRENT ASSETS			**1,425,430**		1,168,941
TOTAL ASSETS LESS CURRENT LIABILITIES			**27,731,297**		28,198,388
CREDITORS: amounts falling due after more than one year	16		**(26,250)**		(24,375)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			**27,705,047**		28,174,013
Defined benefit pension scheme liability	22		**(2,708,000)**		(3,060,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			**24,997,047**		25,114,013
FUNDS OF THE ACADEMY TRUST					
Restricted income funds:					
Restricted income funds	17	**489,875**		273,109	
Restricted fixed asset funds	17	**26,899,427**		27,548,490	
Restricted income funds excluding pension liability		**27,389,302**		27,821,599	
Pension reserve		**(2,708,000)**		(3,060,000)	
Total restricted income funds			**24,681,302**		24,761,599
Unrestricted income funds	17		**315,745**		352,414
TOTAL FUNDS			**24,997,047**		25,114,013

BALANCE SHEET (continued)
AS AT 31 AUGUST 2018

The financial statements on pages 28 to 56 were approved by the trustees, and authorised for issue, on 5 December 2018 and are signed on their behalf, by:



.....
Mr A P Dransfield
Trustee



.....
Mr J S Howe
Trustee

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	19	**124,420**	67,477
Cash flows from investing activities:			
Dividends, interest and rents from investments		**5,022**	-
Purchase of tangible fixed assets		**(118,697)**	(73,270)
Capital grants from DfE Group		**176,607**	29,974
Net cash provided by/(used in) investing activities		**62,932**	(43,296)
Change in cash and cash equivalents in the year		**187,352**	24,181
Cash and cash equivalents brought forward		**1,763,209**	1,739,028
Cash and cash equivalents carried forward		**1,950,561**	1,763,209

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

1.2 Going concern

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

Grants
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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

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

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

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

Expenditure on Raising Funds
This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line (or over useful economic life, if lower)
Furniture and fixtures	-	10% straight line
Plant and equipment	-	20% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

1. ACCOUNTING POLICIES (*continued*)

1.6 Liabilities

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

1.7 Provisions

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.8 Operating leases

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

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. 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 costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1. ACCOUNTING POLICIES (continued)

1.12 Taxation

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

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

1. ACCOUNTING POLICIES (continued)

1.13 Pensions

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

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

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

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

1.14 Fund accounting

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

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

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

1.15 Agency arrangements

The academy trust acts as an agent in distributing 16-19 Bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27.

1. ACCOUNTING POLICIES (continued)

1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2018 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2018.

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Capital Grants	-	-	**176,607**	**176,607**	29,974
Total 2017	-	-	29,974	29,974	

4. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General annual grant (GAG)	-	**7,250,125**	**7,250,125**	6,951,826
Other ESFA grants	-	**167,956**	**167,956**	62,335
Pupil premium	-	**184,738**	**184,738**	197,812
Maths Hub Income	-	**437,542**	**437,542**	370,848
16 - 19 Bursary	-	**16,606**	**16,606**	21,985
	-	**8,056,967**	**8,056,967**	7,604,806
Other government grants				
Maths Hub Income	-	-	-	900
Local Authority grants	-	**158,073**	**158,073**	129,784
Other government grants	-	-	-	20,000
	-	**158,073**	**158,073**	150,684
Other funding				
Maths Hub Income	-	**5,780**	**5,780**	300
	-	**5,780**	**5,780**	300
	-	**8,220,820**	**8,220,820**	7,755,790
Total 2017	-	7,755,790	7,755,790	

5. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Exam, music tuition, uniforms, miscellaneous	**57,845**	-	**57,845**	54,749
Rental income and hire of facilities	**32,143**	-	**32,143**	33,960
School fund	-	**167,909**	**167,909**	145,461
	89,988	**167,909**	**257,897**	234,170
Total 2017	88,709	145,461	234,170	

6. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest receivable	**5,022**	**-**	**5,022**	-

7. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising funds	**-**	**41,467**	**255,834**	**297,301**	175,209
Academy's educational operations:					
Direct costs	**5,704,024**	**547,158**	**722,124**	**6,973,306**	7,055,043
Allocated support costs	**1,306,780**	**732,219**	**278,762**	**2,317,761**	2,331,617
Teaching School	**305,539**	**-**	**150,403**	**455,942**	503,996
	7,316,343	**1,320,844**	**1,407,123**	**10,044,310**	10,065,865
Total 2017	6,957,661	936,671	2,171,533	10,065,865	

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Direct costs 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational operations	**6,973,306**	**2,317,761**	**9,291,067**	9,057,281
Total 2017	6,725,664	2,331,617	9,057,281	

Analysis of support costs

	2018	2017
	£	£
Support staff costs	**1,306,780**	1,200,827
Depreciation	**295,119**	389,513
Premises costs	**437,100**	443,702
Other support costs	**261,140**	285,850
Governance costs	**17,622**	11,725
Total support costs	**2,317,761**	2,331,617

9. NET INCOME/(EXPENDITURE)

This is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	**842,277**	936,673
Auditor's remuneration - audit	**11,000**	10,500
Auditor's remuneration - other services	**2,100**	-
Operating lease rentals	**13,751**	13,751
(Gain)/loss on disposal of fixed assets	**(2,000)**	-
Cash losses	**927**	-

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	**5,221,517**	4,939,225
Social security costs	**509,154**	473,803
Operating costs of defined benefit pension schemes	**1,202,778**	1,103,140
	6,933,449	6,516,168
Agency staff costs	**77,355**	112,114
Teaching School direct costs 2018	**305,539**	-
Teaching School direct costs 2017	**-**	329,379
	7,316,343	6,957,661

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	**94**	86
Administration and support staff	**94**	89
Management staff	**12**	13
	200	188

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	**3**	3
In the band £70,001 - £80,000	**2**	2
In the band £100,001 - £110,000	**0**	1
In the band £110,001 - £120,000	**1**	0

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for these staff amounted to £73,432 (2017 - £71,286).

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 £1,057,619 (2017 - £1,034,302).

11. TRUSTEES' REMUNERATION AND EXPENSES

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

		2018	2017
		£	£
Mr A Squires, Headteacher and Accounting Officer	Remuneration	**110,000-115,000**	100,000-105,000
	Pension contributions paid	**15,000-20,000**	15,000-20,000
Mr M S Rawlinson, Staff Trustee	Remuneration	**N/A**	15,000-20,000
	Pension contributions paid	**N/A**	0-5,000
Mr A Brown	Remuneration	**N/A**	45,000-50,000
	Pension contributions paid	**N/A**	5,000-10,000

During the year ended 31 August 2018, no trustees received any reimbursement of expenses (2017 - £NIL).

12. TRUSTEES' AND OFFICERS' INSURANCE

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

13. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
Cost				
At 1 September 2017	**30,319,258**	**1,175,690**	**975,982**	**32,470,930**
Additions	**61,924**	**49,081**	**7,692**	**118,697**
Disposals	**-**	**(16,695)**	**-**	**(16,695)**
At 31 August 2018	**30,381,182**	**1,208,076**	**983,674**	**32,572,932**
Depreciation				
At 1 September 2017	**3,785,547**	**812,272**	**843,664**	**5,441,483**
Charge for the year	**654,097**	**137,057**	**51,123**	**842,277**
On disposals	**-**	**(16,695)**	**-**	**(16,695)**
At 31 August 2018	**4,439,644**	**932,634**	**894,787**	**6,267,065**
Net book value				
At 31 August 2018	**25,941,538**	**275,442**	**88,887**	**26,305,867**
At 31 August 2017	26,533,711	363,418	132,318	27,029,447

14. DEBTORS

	2018 £	2017 £
Trade debtors	**21,350**	15,909
VAT repayable	**24,268**	9,392
Prepayments and accrued income	**213,258**	159,143
	258,876	184,444

15. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	**301,027**	226,493
Other taxation and social security	**129,135**	119,111
Salix loan	**3,750**	5,625
Other creditors	**96,738**	121,788
Accruals and deferred income	**253,357**	305,695
	784,007	778,712

	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	**51,894**	72,625
Resources deferred during the year	**80,551**	51,894
Amounts released from previous years	**(51,894)**	(72,625)
Deferred income at 31 August 2018	**80,551**	51,894

Deferred income held at the balance sheet date includes Devolved Formula Capital of £19,163 (2017 - £17,975), rates relief of £28,327 (2017 - £nil), growth funding income of £31,980 (2017 - £31,980) and sundry deferred income of £1,082 (2017 - £1,939).

16. CREDITORS: Amounts falling due after more than one year

	2018	2017
	£	£
Salix loan	**26,250**	24,375

17. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	352,414	95,010	(131,679)	-	-	315,745
Restricted funds						
General Annual Grant (GAG)	-	7,250,125	(7,250,125)	-	-	-
Other government grants	273,109	1,331,620	(1,100,534)	(16,607)	-	487,588
Local Authority	-	158,073	(158,073)	-	-	-
School funds	-	167,909	(165,622)	-	-	2,287
Defined benefit pension scheme	(3,060,000)	-	(396,000)	-	748,000	(2,708,000)
	(2,786,891)	8,907,727	(9,070,354)	(16,607)	748,000	(2,218,125)
Restricted fixed asset funds						
DfE/ESFA capital grant	263,896	176,607	-	16,607	-	457,110
Capital expenditure from GAG	999,622	-	(32,861)	-	-	966,761
Transfer from Local Authority	26,029,826	-	(809,416)	-	-	25,220,410
Local Authority capital grant	255,146	-	-	-	-	255,146
	27,548,490	176,607	(842,277)	16,607	-	26,899,427
Total restricted funds	24,761,599	9,084,334	(9,912,631)	-	748,000	24,681,302
Total of funds	25,114,013	9,179,344	(10,044,310)	-	748,000	24,997,047

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

The transfer between the restricted funds and restricted fixed asset funds represents amounts capitalised during the period.

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

Restricted fixed assets funds amounting to £26,305,867 (2017 - £27,029,447) will be reserved against future depreciation charges, and the remainder relates to unspent capital grants which will be utilised to enhance the academy trust's facilities.

17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
Unrestricted funds	303,249	88,709	(28,860)	(10,684)	-	352,414
Restricted funds						
General Annual Grant (GAG)	-	6,951,827	(6,951,827)	-	-	-
Other government grants	246,347	1,236,742	(1,187,995)	(21,985)	-	273,109
Local Authority	-	129,784	(129,784)	-	-	-
School funds	(3,586)	145,461	(146,349)	4,474	-	-
Transfer from Local Authority	179,882	-	-	(179,882)	-	-
Defined benefit pension scheme	(3,847,000)	-	(355,000)	-	1,142,000	(3,060,000)
	(3,424,357)	8,463,814	(8,770,955)	(197,393)	1,142,000	(2,786,891)
Restricted fixed asset funds						
DfE/ESFA capital grant	278,996	29,974	-	(45,074)	-	263,896
Capital expenditure from GAG	1,161,650	-	(235,297)	73,269	-	999,622
Transfer from Local Authority	26,731,200	-	(701,374)	-	-	26,029,826
Local Authority capital grant	75,264	-	-	179,882	-	255,146
	28,247,110	29,974	(936,671)	208,077	-	27,548,490
Total restricted funds	24,822,753	8,493,788	(9,707,626)	10,684	1,142,000	24,761,599
Total of funds	25,126,002	8,582,497	(9,736,486)	-	1,142,000	25,114,013

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	303,249	183,719	(160,539)	(10,684)	-	315,745
Restricted funds						
General Annual Grant (GAG)	-	14,201,952	(14,201,952)	-	-	-
Other government grants	246,347	2,568,362	(2,288,529)	(38,592)	-	487,588
Local Authority	-	287,857	(287,857)	-	-	-
School funds	(3,586)	313,370	(311,971)	4,474	-	2,287
Transfer from Local Authority	179,882	-	-	(179,882)	-	-
Defined benefit pension scheme	(3,847,000)	-	(751,000)	-	1,890,000	(2,708,000)
	(3,424,357)	17,371,541	(17,841,309)	(214,000)	1,890,000	(2,218,125)
Restricted fixed asset funds						
DfE/ESFA capital grant	278,996	206,581	-	(28,467)	-	457,110
Capital expenditure from GAG	1,161,650	-	(268,158)	73,269	-	966,761
Transfer from Local Authority	26,731,200	-	(1,510,790)	-	-	25,220,410
Local Authority capital grant	75,264	-	-	179,882	-	255,146
	28,247,110	206,581	(1,778,948)	224,684	-	26,899,427
	24,822,753	17,578,122	(19,620,257)	10,684	1,890,000	24,681,302
Total of funds	25,126,002	17,761,841	(19,780,796)	-	1,890,000	24,997,047

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2017 are represented by:

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	**26,305,867**	**26,305,867**
Current assets	**315,745**	**1,300,132**	**593,560**	**2,209,437**
Creditors due within one year	-	**(784,007)**	-	**(784,007)**
Creditors due in more than one year	-	**(26,250)**	-	**(26,250)**
Pension scheme liability	-	**(2,708,000)**	-	**(2,708,000)**
	315,745	**(2,218,125)**	**26,899,427**	**24,997,047**

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	27,029,447	27,029,447
Current assets	352,414	1,076,196	519,043	1,947,653
Creditors due within one year	-	(778,712)	-	(778,712)
Creditors due in more than one year	-	(24,375)	-	(24,375)
Pension scheme liability	-	(3,060,000)	-	(3,060,000)
	352,414	(2,786,891)	27,548,490	25,114,013

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	**(864,966)**	(1,153,989)
Adjustment for:		
Depreciation charges	**842,277**	936,673
Dividends, interest and rents from investments	**(5,022)**	-
(Increase)/decrease in debtors	**(74,432)**	70,602
Increase/(decrease) in creditors	**7,170**	(110,835)
Capital grants from DfE and other capital income	**(176,607)**	(29,974)
Defined benefit pension scheme cost less contributions payable	**319,000**	273,000
Defined benefit pension scheme finance cost	**77,000**	82,000
Net cash provided by operating activities	**124,420**	67,477

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	2017
	£	£
Cash in hand	**1,950,561**	1,763,209
Total	**1,950,561**	1,763,209

21. CAPITAL COMMITMENTS

At 31 August 2018 the academy trust had capital commitments as follows:

	2018	2017
	£	£
Contracted for but not provided in these financial statements	**184,404**	-

22. PENSION COMMITMENTS

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

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

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

Teachers' Pension Scheme

Introduction

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

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

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

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

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

The employer's pension costs paid to TPS in the period amounted to £637,463 (2017 - £*601,914*).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £315,000 (2017 - £*299,000*), of which employer's contributions totalled £243,000 (2017 - £*228,000*) and employees' contributions totalled £72,000 (2017 - £*71,000*). The agreed contribution rates for future years are 19.1% for employers and 5.5% for employees.

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

22. PENSION COMMITMENTS (continued)

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	**2.65 %**	2.60 %
Rate of increase in salaries	**3.80 %**	4.20 %
Rate of increase for pensions in payment / inflation	**2.30 %**	2.70 %

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

	2018	2017
Retiring today		
Males	**24.0 years**	23.9 years
Females	**26.1 years**	26.0 years
Retiring in 20 years		
Males	**26.3 years**	26.2 years
Females	**28.5 years**	28.3 years

Sensitivity analysis	**At 31 August 2018 £**	At 31 August 2017 £
Discount rate +0.1%	**492,000**	509,000
Discount rate -0.1%	**516,000**	534,000
Mortality assumption - 1 year increase	**520,000**	538,000
Mortality assumption - 1 year decrease	**488,000**	505,000
CPI rate +0.1%	**516,000**	534,000
CPI rate -0.1%	**492,000**	509,000

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	**2,007,000**	1,937,000
Gilts	**919,000**	788,000
Property	**280,000**	256,000
Cash and other liquid assets	**229,000**	119,000
Alternative assets	**388,000**	368,000
Total market value of assets	**3,823,000**	3,468,000

The actual return on scheme assets was £119,000 (2017 - £*408,000*).

22. PENSION COMMITMENTS (continued)

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

	2018	2017
	£	£
Interest income	**93,000**	71,000
Interest cost	**(170,000)**	(153,000)
Admin expenses	**(3,000)**	(3,000)
Current service cost	**(559,000)**	(498,000)
Losses, curtailment and settlements	**-**	-
Total	**(639,000)**	(583,000)

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

	2018	2017
	£	£
Opening defined benefit obligation	**6,528,000**	7,014,000
Interest cost	**170,000**	153,000
Employee contributions	**72,000**	71,000
Actuarial gains	**(722,000)**	(1,014,000)
Benefits paid	**(76,000)**	(194,000)
Current service cost	**559,000**	498,000
Closing defined benefit obligation	**6,531,000**	6,528,000

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

	2018	2017
	£	£
Opening fair value of scheme assets	**3,468,000**	3,167,000
Administration expenses	**(3,000)**	(3,000)
Actuarial losses	**26,000**	128,000
Employer contributions	**243,000**	228,000
Employee contributions	**72,000**	71,000
Benefits paid	**(76,000)**	(194,000)
Return on plan assets	**93,000**	71,000
Closing fair value of scheme assets	**3,823,000**	3,468,000

23. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	**13,751**	13,751
Between 1 and 5 years	**13,751**	27,503
Total	**27,502**	41,254

24. RELATED PARTY TRANSACTIONS

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

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

The following related party transactions took place in the year:

Mr W G Butler, Mr A P Dransfield, Mr J S Howe, Mr B R Hawthorne and Mrs S McGuire are directors of Shenley Leisure Centre Trust. The academy trust leases the leisure centre to Milton Keynes Council for a peppercorn rent who have a sub-lease with the Shenley Leisure Centre Trust.

During the year, the academy trust received £48,003 (2017 - £54,615) from the Shenley Leisure Centre Trust, in respect of a licence fee for a shared facilities agreement and recharges of utility costs. The academy also paid £5,266 (2017 - £6,497) to the Leisure Centre in respect of repairs to shared areas as well as cleaning costs. At the year end there was a balance due from Shenley Leisure Centre Trust of £3,925 (2017 - £3,938).

Mrs C Squires, the wife of the Head teacher, Mr A Squires, is employed by the academy as a teacher. Her remuneration is discussed by the trustees and is in line with all other teaching staff at a similar grade.

There were no other transactions with related parties in the year.

25. CONTROLLING PARTY

There is no ultimate controlling party.

26. COMPANY LIMITED BY GUARANTEE

The academy trust is a company limited by guarantee and does not have share capital.

27. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the trust received £34,137 (2017 - £34,137) and disbursed £22,454 (2017 - £27,552) and purchased fixed assets totalling £16,607 (2017 - £21,985) from the fund. An amount of £12,448 (2017 - £17,372) is in included in other creditors relating to undistributed funds that is repayable to ESFA.

28. 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.

29. TEACHING SCHOOL TRADING ACCOUNT (INCLUDING SCHOOL-CENTRED INITIAL TEACHER TRAINING)

	2018 £	2018 £	2017 £	2017 £
INCOME				
DIRECT INCOME				
Grant and tuition income	**395,017**		467,598	
OTHER INCOME				
Teaching school courses and training	**123,981**		94,965	
TOTAL INCOME		**518,998**		562,563
EXPENDITURE				
Direct staff costs	**305,539**		329,379	
Course costs	**128,458**		153,509	
OTHER EXPENDITURE				
Staff training	**5,864**		132	
Catering costs	**1,935**		2,693	
Travel costs	**1,814**		817	
Advertising costs	**3,474**		5,085	
Audit fees	**2,750**		-	
Other costs	**6,108**		12,381	
TOTAL OTHER EXPENDITURE	**21,945**		21,108	
TOTAL EXPENDITURE		**455,942**		503,996
SURPLUS FROM ALL SOURCES		**63,056**		58,567
TEACHING SCHOOL BALANCES AT 1 SEPTEMBER 2017		**227,030**		168,463
TEACHING SCHOOL BALANCES AT 31 AUGUST 2018		**290,086**		227,030