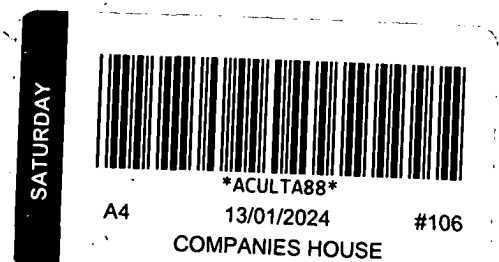


Company Registration Number: 07527108 (England & Wales)

THE DENBIGH ALLIANCE
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023



THE DENBIGH ALLIANCE**(A Company Limited by Guarantee)**

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THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mrs S McGulre Mr T Naylor Mrs G Ferrari Mr D Lock
Trustees	Mr W G Butler Mrs M O'Brien Mr J R Cove, Chair of Trustees Mr W Preen Mr J Hand Mr J Giles Mr I Joyce, CEO and Accounting Officer (resigned 16 April 2023) Mrs M Bajwa-Patel (appointed 2 November 2022) Miss N Lewis (appointed 2 November 2022) Mrs E Bancroft (appointed 14 December 2022)
Company registered number	07527108
Company name	The Denbigh Alliance
Principal and registered office	Burchard Crescent Shenley Church End Milton Keynes MK5 6EX
Chief executive officer	Mrs S Collings
Senior management team	Mrs S Collings, CEO and Accounting Officer (appointed 17 April 2023) Mr I Joyce, CEO (resigned 16 April 2023, appointed CFO 17 April 2023) Mr I Bacon, Head of Walling Academy Dr A Frame, Head of Denbigh School Mrs V Pegg, Head of Walling Primary School Mr N Allan, CFO (resigned 16 April 2023)
Independent auditor	MHA Century House 1 The Lakes Northampton NN4 7HD
Bankers	HSBC 63 George Street Luton LU1 2AR
Solicitors	Stone King LLP Wellington House East Road Cambridge CB1 1BH

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year to 31 August 2023. The annual report serves the purposes of both a Trustees' report, and a directors' report and strategic report under company law.

The Trust operates Denbigh School and Watling Academy for pupils aged 11 to 18 serving a catchment area to the western side of Milton Keynes. Its academies had a roll of 2,945 Students on roll as at the Autumn School Census 2023.

Structure, governance and management

a. Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of The Denbigh Alliance Limited are also the directors of the charitable company for the purposes of company law. The charitable company operates as The Denbigh Alliance.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the reference and administrative details on page 1.

b. Members' liability

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

c. Trustees' indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance is covered within the Trust's risk protection arrangements, which totalled £54,600.

d. Method of recruitment and appointment or election of Trustees

The Members of the Trust are responsible for the appointment of Trustees. The number of Trustees shall be not less than three and shall be subject to a maximum of 12. The Board of Trustees has the remit of recruiting suitable candidates.

Provision is made for two local parent governors and two staff governors on each established Local School Board who will be appointed through an election process directed by the Local School Board. In the event that these positions are not filled, the Trustees are able to appoint to these positions.

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

Trustees' appointments are based on the skills that they will bring and contribute towards the Trust's future, or based on a proposal to the Trustees, for example to work on a specific project. On appointment, Trustees receive information relating to the Trust, 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.

f. Organisational structure

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

The governance and organisational structure is as follows:

Members (for the Multi Academy Trust)

Trustees (of the Multi Academy Trust)

Local School Boards (for each school within the Trust, currently Denbigh School and Watling Academy).

The Committees of the Trust are as follows:

- Audit and Risk Committee;
- Care Committee (covering human resources, executive pay and Trustee recruitment);
- Education Committee (covering educational matters, results, and curriculum);
- Operations Committee (covering finance, health and safety, buildings,);
- Opportunity Committee (Ventures, growth of the Trust);
- Local School Board Committees (covering the operational activities of each school).

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

The Trust Board Terms of Reference determine the overriding structure and governance of the Trust and its schools. The scheme of delegation identifies responsibilities delegated throughout the Governance structure.

The day-to-day running of the Trust is delegated to the Chief Executive Officer (CEO), who is the Accounting Officer and the day-to-day running of the schools is delegated to the Heads of School.

g. Arrangements for setting pay and remuneration of key management personnel

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

The CEO and CFO's salaries are reviewed by and approved by the Trust Board.

The Care Committee's remit is to review senior executive pay, in order to evaluate, determine and recommend senior pay levels and awards, and any appropriate advancements.

THE DENBIGH ALLIANCE**(A Company Limited by Guarantee)**

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)**h. Trade union facility time****Relevant union officials**

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £

Total cost of facility time	7,967
Total pay bill	13,930,238
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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i. Related parties and other connected charities and organisations

W G Butler is a Trustee of The Denbigh Alliance and also a director of Shenley Leisure Centre Trust. The Academy Trust leases the leisure centre to Milton Keynes Council, who in turn, sub-let to the Shenley Leisure Centre Trust for a peppercorn rent. Details of transactions with the Trust in the year are disclosed in note 31 to the financial statements.

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

j. Engagement with employees (including disabled persons)

Most of the engagement with staff within The Denbigh Alliance comes from the leaders within the schools to the employees. Regular briefings/staff meetings/staff training days are held within the schools both in person and virtually when required. Heads welcome staff dropping into their offices for any discussions. This culture keeps the lines of communication fluid and transparent.

The Central Team meets weekly to discuss ongoing tasks, challenges and where support can be offered.

The Trust completes an annual staff survey and from this work there are further conversations and surveys conducted by individual schools. The surveys have moved to the autumn term to increase the response rate and give leaders the opportunity to adjust considering the feedback.

Appraisal is conducted for all employees via HR. This is linked to the Trust and school objectives so that achievement is built into the process for all employees. Appraisal is a valued part of life in the Trust as it gives a formal meeting time to reflect and celebrate the great works that have been happening for individuals, departments, and the whole school.

The Trust has an EDI policy and is committed to equal opportunity for all employees. This runs through all our work whether it is from the recruitment phase through to training, job opportunities within schools and/or our general day to day practice. Where reasonable adjustments are needed then we make them as swiftly as possible.

Achieving desirable wellbeing for all employees is a significant factor within the Trust. There are a number of initiatives within each school as well as some Trust enhancements which are rapidly developing.

k. Engagement with suppliers, customers and others in a business relationship with the Academy

The Trust has a range of stakeholders – students, staff, parents, governors, trustees, MK, DfE officials and then all the businesses that work and support the Trust. We strive for good relations with all of our stakeholders and seek feedback wherever possible, such as student panels, parental surveys, information evenings, parent's meetings/evenings, text service, social media notifications, website updates, traditional newsletters and weekly communications.

We follow the Academies Trust Handbook for the procurement processes when engaging with businesses. We monitor their performance and share feedback where appropriate. We meet the agreed supplier terms for payment.

As a growing Trust we work closely with Regional Director's Office and always meet their deadlines for the return of documents. The CEO continues to work with ASCL and shares this information with colleagues within the Trust and MK area.

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities

a. Objects and aims

The Trust has recently revised its vision yet kept the same values of Care, Education and Opportunity. Our vision is centred on the following words: In the Denbigh Alliance schools we harness ambition by delivering excellence and enriching the lives of all children within the Trust. Each of our schools has its own distinctive character and is at the heart of their local community.

We turn our vision into reality through the schools and central team working effectively and efficiently with the students and staff in their care. Our curriculum has a revised set of principles which we have developed collectively. Our school improvement strategy is in place where we outsource to third parties for a bespoke triangulated approach for each of the schools. This has definite advantages for us when it comes to remaining leading edge with our curriculum, raising outcomes, and developing colleagues over time. We have a strong emphasis on STEM teaching and learning and this is deliberate given the ever-changing landscape in Milton Keynes where innovation and technology are central to the city's rapidly changing environment. Nevertheless, the creative arts, including PE, are promoted, delivered and are successful areas.

We firmly believe in supporting the MK model of local schools for local children and we have admission policies to reflect this.

Overall, we aim to deliver our best in all that we do with systems that promote the learning for every child, not just certain cohorts. Students are at the heart of our decision making and we emphasise the care needed for each person for them to learn and be academically successful in the long term.

Outside of the classroom the learning journey for all our students continues through a wide variety of clubs, trips both in the UK and abroad as well as guests presenting and working with our students in our schools. Please do visit the websites to see the vast array of experiences on offer.

b. Objectives, strategies and activities

The Trust's objective for the year ended 31 August 2023 was to raise the attainment level of all students through care and wellbeing, curriculum structure, teaching and learning, and leadership development.

To achieve our objective for the year ending 31 August 2024:

Our vision is: In the Denbigh Alliance schools we harness ambition by delivering excellence and enriching the lives of all children within the Trust. Each of our schools has its own distinctive character and is at the heart of their local community.

Our values of Care, Education and Opportunity remain the same.

- Provide its students with the opportunity to achieve their full potential in a safe caring environment and give its schools the freedom to deliver a curriculum that best suits its students.
- Have a strong governance presence that will ensure strategic objectives and legal compliance are achieved.
- Offer challenge and support from a strong central structure, ensuring high class central functions that help our schools achieve their goals.
- Inspire staff to be innovative and promote wellbeing.
- Grow at a pace that best benefits all students and schools in the Trust and those joining.
- Allow each school to retain their local identity to create a learning environment suitable for its local context.
- Support and encourage schools to work closely with other Trust schools, sharing resources and best practice.

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities (continued)

Our objectives will be met by:

- Building on our reputation and educational outcomes.
- Ensuring the correct financial model for sustainable growth.
- Supportive and challenging governance.
- Improving the skills and capacity of the central team.
- An efficient auditing and monitoring programme.

In addition, we will specifically do the following:

- Grow the number of schools in the Trust.
- Gain approval from the Minister of Academies for a 6th form at Watling Academy.
- Remove the RAAC from Denbigh School.
- Maintain and improve even further our academic outcomes in all schools.
- Build our trust wide systems further so that they are frictionless.
- Complete a workforce development plan.
- Build our IT provision to be seamless across the Trust.
- Use our Ventures to support teaching and learning in the Trust.
- Use Audit findings to improve and maintain our work.

c. Public benefit

In setting our objective and planning out activities the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

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.

Strategic report

Achievements and performance

The Trust schools offer a varied and knowledge-rich curriculum to all its students. The aim is to ensure an excellent education is delivered, based on providing the core knowledge that students will need to succeed throughout their lives.

The Trust's core purpose continues to be to combine the teaching of discipline-specific knowledge with the application of skills and understanding in a safe and secure environment across a broad range of subjects.

During the year the central team developed further with the appointment of Mrs Sue Collings as CEO and Mr Ian Joyce as CFO. Watling Primary School has opened with a new Headteacher, Mrs Vikki Pegg.

The Trust now has 3 schools in operation: Denbigh School, Watling Academy and Watling Primary School.

Denbigh continues to thrive and be highly successful at GCSE and post 16 with over 1750+ students within it. Watling Academy saw a further 360 students arrive in year 7 and over 40+ new staff were inducted into the school. Watling Primary has appointed 9 new staff for reception, year 1 & 2 along with associate staff to support the students.

The Ventures of the SCITT, ECF and Hubs for Maths and Computing continue to meet their KPI's.

THE DENBIGH ALLIANCE

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

The Trust received four Ofsted visits within the year:

Walling Academy – Outstanding in every area and overall Outstanding.

MK-ECF – Outstanding. Part of the UCL framework and we remain a delivery partner.

TFSCITT – Outstanding. Reinspected this year and was described as, 'second to none'.

Walling Primary School received an opening inspection from HMI and they were more than pleased with the provision that was already established.

Denbigh School:

Denbigh remains a very successful school in MK with healthy numbers applying for places in the school. It's strong ethos where success is infectious, and standards are maintained means that students know the expectations and thrive in this environment. The staff at Denbigh regularly say that they love the school and stay because of the ethos that has been created. The Headteacher has created a calm and purposeful environment which is felt by all who work, learn and visit the school.

Academic Outcomes for Denbigh include the following:

GCSE P8	2019	2022	2023
Overall	+0.29	+0.18	+0.17
Maths	+0.56	+0.65	+0.42
Eng	+0.18	-0.21	+0.15
EBACC	+0.59	+0.53	+0.42
Open	+0.12	-0.21	-0.23
GCSE A8			
Overall	5.32	5.4	5.39
Maths	5.47	5.74	5.62
Eng	5.51	5.29	5.62
EBACC	5.45	5.63	5.52
Open	4.96	5.02	4.95
A Level			
Cohort numbers	200	196	221
APS per entry	30.1	35.6	29.4
APS as a grade	C	B-	C
APS best 3 entries	32.9	36.6	30.1
APS best 3 as a grade	C+	B-	C
AAB+ in at least 2 facilitating subjects	15%	18%	14%
Applied General			
Cohort numbers	59	66	62
KS4 PA APS	4.7	5	4.8
APS per entry	29	31.4	26.4
APS per entry as a grade	Merit+	Distinction-	Merit

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

Watling Academy

This school has been in its third year of operation. Like all new schools, Watling Academy has designed, implemented and monitored every system and initiative within the school. This is never straight forward yet the tenacious approach from the Headteacher and his leadership team have meant that the school has gone from strength to strength. The Ofsted inspection was a moment in time for the school to demonstrate to the inspectors what happens in everyday life here at Watling Academy. The inspectors could see and feel the unique ethos where no child is anonymous and the ambition within the curriculum shone through from staff, students, governors and Trustees. We firmly believe Watling Academy is on a strong trajectory to maintain and develop its standards as they embark on Key Stage 4 & 5.

Watling Primary School

Following the appointment of the Headteacher, she started in January 2023 and rapidly shaped the ethos and values this school would have within the Trust. The curriculum intent was shaped, schemes of learning were developed as the staff appointments were being made, uniform, behaviour/rewards systems were designed, the school day structure, purchasing of resources, designing the library, staff room, classrooms and the landscaping of the school and the admission of children were all completed. The new building was completed by the summer in 2023 in time for opening in Sept 2023.

MK-ECF

As a delivery partner for UCL we oversee 86 schools with Early Career Teachers within them. We provide the materials, training, and mentor support. We have successfully completed two cohorts and about to embark on our third. The feedback from our schools is very positive and UCL are delighted with the provision we offer. We feed into their KPI's and governance surrounding this programme remains strong and effective. The ECF leadership remains strong, effective and diligent which means that all communications are followed to ensure all ECT's, centres and mentors have a valuable experience.

TFSCITT

Following a recent inspection of the TFSCITT, we were delighted to receive the recognition of maintaining outstanding under this current framework. The SCITT is very successful with the students that join the programme. The End Point Assessments are supporting the SCITT significantly from a financial viewpoint. We have been awarded the apprenticeship programme and will be ready to launch this in the following year. The leadership of TFSCITT remains very strong and agile with the challenges in the profession today.

Enigma Maths Hub and Computing Hub

Denbigh School remains the Strategic Lead School for the Enigma Maths Hub. The Maths Hub works to improve outcomes in mathematics through high quality CPD for teachers across all phases.

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

The Hub has successfully completed nine years in operation, making demonstrable impact in development of mathematics teaching and opportunities in a wide range of contexts. National priorities have been part of the KPI's for Enigma.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

- Embedding a teaching for mastery approach to mathematics teaching in primary and secondary schools across the region.
- Increasing participation in mathematical courses post 16 including A-level and Core Maths.
- Developing pedagogical approaches to teaching mathematics from early years to post 16 including mathematical thinking, resilience, year 5-8 transition, challenging topics at GCSE, subject knowledge enhancement and early years.
- Establishing a Professional Learning Community of local leaders of mathematics education (LLME) within the region.
- Built leadership capacity across the region by providing professional development opportunities for future Work Group Leads, SLEs and other members of the LLME community.

Computing Hub

The Denbigh School Computing Hub provides Professional Development for Computing Teachers across the region, (Milton Keynes and Northamptonshire) being part of a collaborative network of 39 Computing Hubs nationally.

The aim, whilst showcasing Denbigh School and Walling Academy, is to improve confidence, knowledge, and skills for teachers to teach computing effectively, and for this to have the best possible impact on students' earning and lifelong outcomes.

a. Key performance indicators

The Trust monitors Key Performance Indicators from both schools, to help inform performance. These are monitored by the CEO and also through the Trust Committees.

The following are areas which are considered,

Full Board

- Ofsted grade;
- Annual review grade;
- Safeguarding incidents;
- Well-being;
- Number on roll;
- Financial probity.

b. Going concern

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

c. Promoting the success of the company

The Trustees recognise the importance of promoting the success of the company. Throughout the year the company has released numerous press releases regarding the success of pupils at both schools. Each school has a regular social media presence and actively seeks to engage with its stakeholders.

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(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Financial review

The Trust's financial position demonstrates total income of £17,900,043 (excluding restricted fixed asset funds) with a deficit on 31 August of £38,794 (excluding restricted fixed asset funds and actuarial gains and losses in the year).

During the year ended 31 August 2023 significant reserves were invested in the replacement of the IT infrastructure at both schools.

a. Reserves policy

The Trust's reserves policy highlights the need to retain sufficient reserves to meet future financial requirements, whilst ensuring individual schools have sufficient short-term resources to meet their immediate needs. In particular the policy aims to:

- hold free reserves between £500,000 and one month's worth of operating costs;
- hold sufficient reserves to ensure appropriate investment in IT infrastructure is available to meet the needs of the Trust's IT strategy;
- ensure that reserves are held in sufficient quantity to ensure good estates management needs are met and estates strategy can be achieved.

At 31 August 2023 the total funds comprised:

	£
Unrestricted	900,854
Restricted Fixed asset funds	92,810,101
Pension Reserve	(300,000)
Other	411,794
Total funds	<u>93,822,749</u>

The level of reserves held at 31 August total £93,822,749 of which £900,854 are deemed to be free reserves. The reserves will be allocated and spent as part of a continuous improvement programme to 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 Trust has recognised its share of the Local Government Pension Scheme (LGPS) assets and liabilities in accordance with Financial Reporting Standard FRS102.

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 28. 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 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.

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

b. Investment policy

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

The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the Trust's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trust 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 Trust 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 Trust not to invest funds in this manner.

c. Principal risks and uncertainties

The Trust has implemented a Risk Management Policy and Risk Register to assess and consider whether treatment or transfer of certain risks is necessary. The process has enabled the Trust 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:

- Failure to attract new schools to make the MAT sustainable;
- Failure to recruit and/or retain key members of staff;
- Quality and number of Teachers that can be recruited within the MAT;
- Cyber Security.

Key controls to mitigate risks are in place as follows:

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

Terms of reference for the committees of the Trust including the Local School Boards of each school.

Annual Strategic planning events, together with setting annual objectives for the Trust, its senior leadership, and its schools, ensuring these are implemented and reviewed annually.

An Audit and Risk Committee of Trustees is implemented to provide strategic management, addressing principal risks, demanding reviews in particular areas, with where necessary, improved outcomes, and ensuring risk is considered prior to every decision made within the Trust.

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

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

Major infrastructure or ICT failures mitigated by preventative maintenance, strategic planning and disaster recovery procedures.

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 established a Trust wide Safeguarding group with staff and governor representatives from all schools and the Central Team.

The Trust has in place risk-management procedures as outlined above, led by the Audit and Risk Committee of

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

the Board. The Trustees have assessed the major risks to which the Trust is exposed and conducted a formal review of the Trust's risk management process using the adopted Risk Register. The assessment of risks to the Trust, is formally reviewed in every Trust committee meeting and fed in centrally to the Trust Risk Register.

d. Risk Management

The Trustees have assessed the major risks to which the 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:

The review of and adoption of a revised Risk Register and Risk Management Policy managed by the Audit and Risk Committee of Trustees.

The commissioning of a review of the Trust's governance by an independent organisation to ensure compliance across the Trust. This was carried out in March 2021, with a further review in December 2021.

All Committees instructed to have a formal standing agenda item to review pertinent risks relevant to the individual Committee's remit.

An agenda plan for the year and 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 and reported at each meeting.

Comprehensive budgeting and management reporting to the Operations Committee who recommend findings and recommendations to the Board of Trustees for approval or otherwise with instructions for actions and implementation.

Established organisational structure and clear lines of reporting. Formal written policies including a Risk Management Policy and Risk Register, both of which have been undergoing a comprehensive review to ensure both the policy and risk register and fit for purpose and for the future as the Trust grows.

Clear segregation, authorisation and approval levels as defined in the Trust's Finance Manual (policy).

Recruiting the quality and quantity of staff required, where possible leveraging the benefits from the SCITT. An ongoing review of recruitment methodology is in place.

As part of the reorganisation of governance, a Risk and Audit Committee commenced operations in September 2018, and have conducted a review of the Trust's approach to risk including managing and upgrading the Risk Register and Risk Management Policies, and embedding "risk" into every agenda at Trustee meetings to consider the most significant risks to the organisation, and the approach, direction and action implemented to mitigate.

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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 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.

Streamlined energy and carbon reporting

The Academy's greenhouse gas emissions and energy consumption are as follows:

	2023	2022
Energy consumption used to calculate emissions (kWh)	3,153,829	2,820,390
Energy consumption breakdown (kWh):		
Gas	2,031,600	1,595,359
Electricity	1,222,229	1,225,031
Transport fuel	6,000	6,000
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	370.85	291.22
Owned transport	6.75	6.75
Total scope 1	377.60	297.97
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	217.02	236.90
Scope 3 emissions (in tonnes of CO2 equivalent):		
Business travel in employee-owned or rental vehicles	3.84	1.61
Total gross emissions (in tonnes of CO2 equivalent):	598.46	536.48
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	0.23	0.23

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2023 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

Streamlined energy and carbon reporting (continued)

Measures taken to improve energy efficiency

We have installed smart meters across all sites and increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

Plans for future periods

Trust Objectives

The aim of The Denbigh Alliance schools is to harness ambition by delivering excellence and enriching the lives of all children within the Trust. Each of our schools has its own distinctive character and is at the heart of their local community.

We plan on growing our Trust with more schools joining over future years. These schools will be within the Milton Keynes area including both primary and secondary. Our systems and structures are suitable for up to 10 schools now.

All schools will have to subscribe to our values of Care, Education and Opportunity.

As shared previously, our desire to have a 6th form at Watling Academy is paramount to the ongoing success of the school.

We will improve even further our academic outcomes in all schools with our relentless nudge on delivering more tailored teaching and learning to our students.

Our Trust wide systems will strengthen further so that they are frictionless and within the back office of the Trust we will complete a workforce development plan and build our IT provision to be seamless across the schools.

The additional areas within our Trust include the MK-ECF, SCITT, Maths and Computing hubs. We will explore the wider educational system where Teaching School Hubs might be able to help strengthen our provision for many years to come. This is only at an exploratory stage. Trainee numbers within the SCITT are not as healthy as previous years and this will be watched carefully over the next academic year as we reflect on next steps. We are fortunate to have secure financial outturns from the End Point Assessments and the entrepreneurial thinking within the SCITT means that future conferences, the apprenticeship programme and collaboration with others will support future success. The ECF programme continues to expand as more schools sign up with us.

As we grow, we want to continue to meet the framework within the Academies Trust Handbook and we will use audits to support our work and monitor our risk management.

Funds held as custodian on behalf of others

Denbigh School operates a School Fund account within the Trust for the purpose of managing income and expenditure for trips, activities and other events undertaken for students. The income, expenditure and fund balances are included in the year end accounts of the Academy Trust for the year ended 31 August 2023.

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Disclosure of Information to auditor

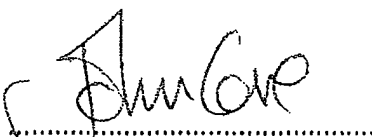
In so far as the Trustees are aware:

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

Auditor

Following a rebranding exercise on 15 May 2023 the trading name of the company's independent auditor changed from MHA MacIntyre Hudson to MHA. A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting.

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



.....
Mr J R Cove
Chair of Trustees

Date: 20 December 2023

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
Mr J R Cove, Chair of Trustees	6	6
Mrs M O'Brien	5	6
Mr W G Butler	6	6
Mr J Giles	6	6
Mr J Hand	5	6
Mr W Preen	5	6
Mr I Joyce, CEO and Accounting Officer (resigned 16 April 2023)	4	4
Mrs M Bajwa-Patel (appointed 2 November 2022)	6	6
Miss N Lewis (appointed 2 November 2022)	3	5
Mrs E Bancroft (appointed 14 December 2022)	4	5

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.

The Board commissioned an external review of governance by the NGA in March 2021 and an interim review in December 2021. It is anticipated this will be repeated on 3-5 year cycle.

Conflicts of interest

The Trustees are subject to procedures to avoid any action, position or interest that conflicts with an interest of the Trust or gives the appearance of a conflict. Each Trustee must disclose any conflict of interest relating to a matter to be discussed at a meeting, as soon as the member becomes aware of the conflict. The respective member must not participate in the discussion and decision-making involving the interest at stake.

Transactions that constitute or may be perceived to be a conflict of interest, are generally avoided and none have taken place during the year.

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Meetings

In December 2021 the Trust commissioned an NGA progress report on the effectiveness of Governance. The findings of the report were:

"The Board has been totally refreshed and is now lead by a highly competent and knowledge chair. There is now an increased diversity of perspectives from people of different professional backgrounds and experience of working on other boards. The chair is ably supported by an experienced and highly skilled vice-chair. The culture of the board and its working relationship with the executive is now characterised by partnership working, strategic thinking and focus and clearly understood arrangements for robust scrutiny related to oversight, assurance and accountability.

The Trust has put in place a range of governance systems and processes to secure effective governance and has implemented (wholly or partially) all of the thirty four recommendations. Where implementation is not fully secured there are time specific plans to achieve this. Some of the recommendations that have now been fully implemented now need to be fully embedded into the working culture and processes of the governance arrangements over the next eighteen months.

The governance of the Trust is now effective and is fit for purpose for its planned growth incorporating additional schools.

The Audit and Risk committee is also a sub-committee of the main Board of Trustees. Its purpose is to: advise the Trust Board on matters relating to the Trust's audit and risk arrangements. Committee recommends appointment of auditors to ensure statutory compliance with return, agrees internal audit plan, reviews and reports to the Board on risk, risk appetite, controls and mitigation measures. This year they focused on developing the work on the business continuity plan with an internal audit and researched risk software.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr W Preen	4	4
Mrs M O'Brien	4	4

The Care committee is also a sub-committee of the main Board of Trustees. Its purpose is to: support the CEO and the Trust Board in their responsibilities towards the care of staff and students. The committee monitors assurance responsibilities linked to The Trusts role as an employer and its responsibility to safeguard students. This committee ensures effective measures are in place to promote inclusivity, equality and diversity within the Trust and ensures the effective operation of a rigorous and robust staff performance management and remuneration process, including for the Executive Team. This year they noted the formation of a Trust-wide Safeguarding group.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr W Preen	3	3
Mr J Giles	2	3
Mr I Joyce (resigned 16 April 2023)	2	2
Mrs M Bajwa-Patel (appointed 2 November 2022)	1	2

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Education committee is also a sub-committee of the main Board of Trustees. Its purpose is to: support the CEO and the Trust Board in their responsibilities for educational standards, teaching and learning. The committee reviews and challenges educational intent, provision, personal development and attendance of students within each Trust school. The committee monitors the effectiveness of the approach and support for vulnerable and disadvantaged pupils, including those with SEND and the provision of SMSC.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Giles	3	3
Mr I Joyce (resigned 16 April 2023)	2	2
Mrs E Bancroft (appointed 14 December 2022)	2	2
Mrs M Bajwa-Patel (appointed 2 November 2022)	1	2

The Operations committee is also a sub-committee of the main Board of Trustees. Its purpose is to: support the CEO and the Trust Board in their responsibilities towards the management of the Trust's Finance, Estates and IT matters. The committee ensures compliance with the Academy Trust Handbook, considers value for money and reviews budgets and spend on capital expenditure and rolling maintenance within the schools.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr I Joyce (resigned 16 April 2023)	2	2
Mr J Hand	3	3
Mr W G Butler	2	3
Mrs M O'Brien	2	3

The Opportunity committee is also a sub-committee of the main Board of Trustees. Its purpose is to: support the CEO and the Trust Board in overseeing the Trust's involvement in existing and future activities outside its main role of providing education for students. The committee ensures that any such activities contribute toward the strategic goals of the Trust and reviews operations and finances of same.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr W G Butler	4	4
Mr J Hand	4	4
Mr I Joyce (resigned 16 April 2023)	2	2

Review of value for money

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

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

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

Trust has delivered improved value for money during the year by:

- Conducting regular reviews with Heads of Schools to review each school's financial position and forecast versus the annual budgets, taking any necessary action to manage expenditure.
- Presenting monthly management accounts to Trustees for scrutiny and review.
- A continuous review approach is in place regarding 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.
- Utilising trust side procurement opportunities for licenses and other purchases where economies of scale can be achieved.
- Trust-wide procurement of IT infrastructure upgrades has taken place during the year using a DfE approved procurement framework.

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 on-going 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 The Denbigh Alliance Academy Trust for the period to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The Academy'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 Operations Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The Board of Trustees has decided to buy-in an internal audit service from RSM UK.

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

- testing of Business Continuity Planning;
- testing of Key financial controls (including cash and asset management, and planning and budgetary control);
- testing of IT general controls;
- testing of Risk Management;
- testing of Safeguarding processes.

On a termly basis, the auditor reports to the Board of Trustees, through the audit and risk committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities. On an annual basis the auditor prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

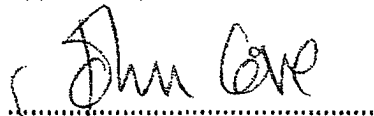
Review of effectiveness

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


- the work of the internal auditor;
- the financial management and governance self-assessment process;
- the school resource management self-assessment tool;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditor;
- correspondence from ESFA e.g. FNI/NII and 'minded to' letters.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the audit and risk 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 and signed on their behalf by:



Mr J R Cove
Chair of Trustees



Mrs S Collings
Accounting Officer

Date: 20 December 2023

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Denbigh Alliance I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academy Trust Handbook 2022.

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.



.....
Mrs S Collings

Accounting Officer

Date: 20 December 2023

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published 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:

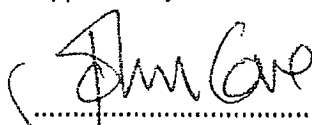
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 and signed on its behalf by:


.....
Mr J R Cove
Chair of Trustees

Date: 20 December 2023

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

**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') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, 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 2019 and the Academies Accounts Direction 2022 to 2023 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's affairs as at 31 August 2023 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 2019 and the Academies Accounts Direction 2022 to 2023 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 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

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

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

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

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 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.

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

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

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to 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 or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
DENBIGH ALLIANCE (CONTINUED)**

Use of our report

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

Rebecca Hughes

Rebecca Hughes BSc(Hons) FCCA (Senior Statutory Auditor)
for and on behalf of
MHA
Statutory Auditor
Northampton

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

Date: 21 December 2023

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 18 June 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, 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 2022 to 31 August 2023 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 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 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 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 23 January 2012 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

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

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

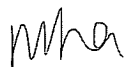
A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a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

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



MHA
Northampton
Statutory Auditor

Date: 21 December 2023

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants:	3					
Transfer in Watling Primary School		-	-	11,754,520	11,754,520	-
Other donations and capital grants		-	-	1,874,283	1,874,283	257,943
Other trading activities	6	177,376	1,186,058	-	1,363,434	1,146,541
Investments	7	94,962	-	-	94,962	-
Charitable activities	4	108,996	16,325,227	-	16,434,223	13,066,874
Teaching schools		-	7,424	-	7,424	(120)
Total income		381,334	17,518,709	13,628,803	31,528,846	14,471,238
Expenditure on:						
Raising funds	9	-	1,176,695	-	1,176,695	1,288,319
Charitable activities		5,536	16,872,166	2,084,623	18,962,325	15,031,334
Teaching schools		-	8,750	-	8,750	32,988
Total expenditure	8	5,536	18,057,611	2,084,623	20,147,770	16,352,641
Net income/ (expenditure)		375,798	(538,902)	11,544,180	11,381,076	(1,881,403)
Transfers between funds	20	-	(46,690)	46,690	-	-
Net movement in funds before other recognised losses		375,798	(585,592)	11,590,870	11,381,076	(1,881,403)
Other recognised losses:						
Actuarial gains on defined benefit pension schemes	28	-	721,000	-	721,000	5,634,000
Net movement in funds		375,798	135,408	11,590,870	12,102,076	3,752,597

THE DENBIGH ALLIANCE**(A Company Limited by Guarantee)**

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Note					
Reconciliation of funds:					
Total funds brought forward	525,056	(23,614)	81,219,231	81,720,673	77,968,076
Net movement in funds	375,798	135,408	11,590,870	12,102,076	3,752,597
Total funds carried forward	900,854	111,794	92,810,101	93,822,749	81,720,673

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 35 to 64 form part of these financial statements.

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)
REGISTERED NUMBER: 07527108

**BALANCE SHEET
AS AT 31 AUGUST 2023**

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	16	91,103,836	80,182,490
Current assets			
Debtors	17	1,573,121	385,615
Cash at bank and in hand	25	3,378,471	3,646,247
		<u>4,951,592</u>	<u>4,031,862</u>
Creditors: amounts falling due within one year	18	(1,875,179)	(1,628,679)
Net current assets		<u>3,076,413</u>	<u>2,403,183</u>
Total assets less current liabilities		<u>94,180,249</u>	<u>82,585,673</u>
Creditors: amounts falling due after more than one year	19	(57,500)	(15,000)
Net assets excluding pension liability		<u>94,122,749</u>	<u>82,570,673</u>
Defined benefit pension scheme liability	28	(300,000)	(850,000)
Total net assets		<u><u>93,822,749</u></u>	<u><u>81,720,673</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	20	92,810,101	81,219,231
Restricted income funds	20	411,794	826,386
		<u>93,221,895</u>	<u>82,045,617</u>
Restricted funds excluding pension asset	20	93,221,895	82,045,617
Pension reserve	20	(300,000)	(850,000)
Total restricted funds	20	<u>92,921,895</u>	<u>81,195,617</u>
Unrestricted income funds	20	900,854	525,056
Total funds		<u><u>93,822,749</u></u>	<u><u>81,720,673</u></u>

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)
REGISTERED NUMBER: 07527108

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

The financial statements on pages 30 to 64 were approved and authorised for issue by the Trustees and are signed on their behalf, by:


.....
Mr J R Cove
Chair of Trustees

Date: 20 December 2023

The notes on pages 35 to 64 form part of these financial statements.

THE DENBIGH ALLIANCE**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22	(1,226,033)	1,397,257
Cash flows from investing activities	24	873,257	(822,765)
Cash flows from financing activities	23	85,000	(5,000)
Change in cash and cash equivalents in the year		(267,776)	569,492
Cash and cash equivalents at the beginning of the year		3,646,247	3,076,755
Cash and cash equivalents at the end of the year	25, 26	<u>3,378,471</u>	<u>3,646,247</u>

The notes on pages 35 to 64 form part of these financial statements

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies

The Denbigh Alliance is a private company limited by guarantee and incorporated in England and Wales. The registered office is Denbigh School, Burchard Crescent, Shenley Church End, Milton Keynes, MK5 6EX.

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2022 to 2023 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 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

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

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 year 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 there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**

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

- **Transfer of existing academies into the Academy**

Where assets and liabilities are received on the transfer of an existing academy into the Academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy. An equal amount of income is recognised for the transfer of an existing academy into the Academy within 'Income from Donations and Capital Grants' to the net assets acquired.

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 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's educational operations, including support costs and costs relating to the governance of the Academy apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.6 Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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.

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

Depreciation is provided on the following bases:

Freehold property	- 2%
Long-term leasehold property	- 0.8 - 2%
Furniture and equipment	- 20%
Plant and machinery	- 10%
Computer equipment	- 33.33%

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.

1.7 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.

1.8 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.

1.9 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 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.10 Financial Instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement bases 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 17. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the Academy 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 is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.12 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to the 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 33.

1.13 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

2. 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 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Depreciation and residual values

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

THE DENBIGH ALLIANCE**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

3. Income from donations and capital grants

	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Assets on transfer	11,754,520	11,754,520	-
Capital Grants	1,874,283	1,874,283	257,943
	<u>13,628,803</u>	<u>13,628,803</u>	<u>257,943</u>

During the year, Walling Primary School joined the Trust. Land and buildings were transferred with a value of £11,754,520.

4. Income from charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Educational operations	<u>108,996</u>	<u>16,325,227</u>	<u>16,434,223</u>	<u>13,066,874</u>

THE DENBIGH ALLIANCE**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

5. Funding for the Academy's educational operations

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	14,246,263	14,246,263	11,623,696
Other DfE/ESFA grants				
Pupil Premium	-	435,133	435,133	312,500
Other ESFA income	-	677,911	677,911	481,595
Supplementary grant	-	237,510	237,510	-
	-	15,596,817	15,596,817	12,417,791
Other Government grants				
Local Authority income	-	421,125	421,125	246,102
Early Careers Framework	-	159,175	159,175	98,668
	-	580,300	580,300	344,770
COVID-19 additional funding (DfE/ESFA)				
Catch-up/Recovery Premium	-	-	-	114,707
	-	-	-	114,707
Other income				
Music income	47,464	-	47,464	30,884
Other income	61,532	148,110	209,642	158,722
	108,996	148,110	257,106	189,606
	108,996	16,325,227	16,434,223	13,066,874

THE DENBIGH ALLIANCE**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

6. Income from other trading activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Lettings income	177,376	-	177,376	126,696
Maths Hub	-	558,435	558,435	490,569
Computer Hub	-	128,402	128,402	207,890
SCITT	-	499,221	499,221	321,386
	<u>177,376</u>	<u>1,186,058</u>	<u>1,363,434</u>	<u>1,146,541</u>

7. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Investment income	<u>94,962</u>	<u>94,962</u>	<u>-</u>

8. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
Expenditure on raising voluntary income:					
Direct costs	263,356	-	913,339	1,176,695	1,288,319
Educational Activities:					
Direct costs	11,172,531	-	1,089,920	12,262,451	9,235,247
Allocated support costs	2,665,203	3,145,048	889,623	6,699,874	5,796,087
Teaching school	-	-	8,750	8,750	32,988
	<u>14,101,090</u>	<u>3,145,048</u>	<u>2,901,632</u>	<u>20,147,770</u>	<u>16,352,641</u>

THE DENBIGH ALLIANCE**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

9. Expenditure on raising funds**Other trading expenses**

	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
SCITT	227,515	227,515	396,911
Maths Hub	558,435	558,435	490,569
Computer Hub	127,389	127,389	144,204
Trading staff costs	263,356	263,356	256,635
	<u>1,176,695</u>	<u>1,176,695</u>	<u>1,288,319</u>

10. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Educational Activities	<u>12,262,451</u>	<u>6,699,874</u>	<u>18,962,325</u>	<u>15,031,334</u>

THE DENBIGH ALLIANCE**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

10. Analysis of expenditure by activities (continued)**Analysis of support costs**

	Activities 2023 £	Total funds 2023 £	Total funds 2022 £
Pension finance costs	21,000	21,000	89,000
Staff costs	2,665,203	2,665,203	2,555,769
Depreciation	1,929,162	1,929,162	1,793,803
Technology costs	293,380	293,380	265,508
Premises costs	1,040,488	1,040,488	710,799
Other support costs	683,861	683,861	341,893
Governance costs	66,780	66,780	39,315
	<u>6,699,874</u>	<u>6,699,874</u>	<u>5,796,087</u>

11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Depreciation of tangible fixed assets	1,929,162	1,793,803
Fees paid to auditor for:		
- audit	14,000	12,500
- other services	5,400	7,000
	<u>19,400</u>	<u>19,500</u>

THE DENBIGH ALLIANCE**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

12. Staff**a. Staff costs**

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	10,445,179	7,576,040
Social security costs	1,033,251	813,033
Pension costs	2,451,808	2,574,632
	<u>13,930,238</u>	<u>10,963,705</u>
Agency staff costs	170,852	225,794
	<u>14,101,090</u>	<u>11,189,499</u>

b. Staff numbers

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

	2023 No.	2022 No.
Teachers	154	132
Admin and support staff	197	136
Management staff	21	14
	<u>372</u>	<u>282</u>

THE DENBIGH ALLIANCE**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

12. Staff (continued)**c. Higher paid staff**

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	9	7
In the band £70,001 - £80,000	5	3
In the band £80,001 - £90,000	2	-
In the band £90,001 - £100,000	1	3
In the band £100,001 - £110,000	2	-

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £656,256 (2022 - £512,721).

13. Central services

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

- Human resources including payroll
- Financial management and reporting
- Legal services
- IT services
- Risk management
- Corporate governance
- Health and safety

The Academy charges for these services on the following basis:

4.5% of GAG is recharged (2022: 4.5%).

The actual amounts charged during the year were as follows:

	2023 £	2022 £
Denbigh School	456,382	403,993
Walling Academy	207,902	119,147
Total	664,284	523,140

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

14. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2023 £	2022 £
Mr A Squires, CEO and Accounting Officer (deceased 8 January 2022)	Remuneration	N/A	40,000 - 45,000
	Pension contributions paid	N/A	10,000 - 15,000
Mr I Joyce, CEO and Accounting Officer (resigned 16 April 2023)	Remuneration	65,000 - 70,000	45,000 - 50,000
	Pension contributions paid	15,000 - 20,000	10,000 - 15,000

During the year, retirement benefits were accruing to no Trustees (2022 - none) in respect of defined benefit pension schemes.

During the year ended 31 August 2023, expenses totalling £NIL were reimbursed or paid directly to Trustee (2022 - £190 to 2 Trustees).

15. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

THE DENBIGH ALLIANCE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

16. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Short-term leasehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation							
At 1 September 2022	31,872,349	55,779,188	-	1,304,586	368,639	1,833,409	91,158,171
Additions	175,398	-	-	409,732	5,590	505,268	1,095,988
Acquired on transfer	-	-	11,754,520	-	-	-	11,754,520
At 31 August 2023	32,047,747	55,779,188	11,754,520	1,714,318	374,229	2,338,677	104,008,679
Depreciation							
At 1 September 2022	6,980,508	1,465,275	-	1,023,321	197,380	1,309,197	10,975,681
Charge for the year	558,087	976,849	-	80,675	28,023	285,528	1,929,162
At 31 August 2023	7,538,595	2,442,124	-	1,103,996	225,403	1,594,725	12,904,843
Net book value							
At 31 August 2023	24,509,152	53,337,064	11,754,520	610,322	148,826	743,952	91,103,836
At 31 August 2022	24,891,841	54,313,913	-	281,265	171,259	524,212	80,182,490

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

16. Tangible fixed assets (continued)

The building of Watling Primary School was completed prior to August 2023 and the school opened to new pupils on 1 September 2023. The buildings were constructed and paid for by Milton Keynes City Council. Construction costs and the land value amounted to £11,754,520.

The building is currently occupied under a tenancy at will, while the technicalities of the lease of finalised. The Academy has received confirmation from their legal advisors that the long leasehold will be in place shortly. The building is included as a short leasehold at 31 August 2023, awaiting final notification of the long lease in due course.

THE DENBIGH ALLIANCE**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

17. Debtors

	2023 £	2022 £
Trade debtors	106,588	120,688
Other debtors	183,554	46,140
Prepayments and accrued income	1,282,979	218,787
	<u>1,573,121</u>	<u>385,615</u>

18. Creditors: Amounts falling due within one year

	2023 £	2022 £
Other loans	50,000	7,500
Trade creditors	253,117	182,978
Other taxation and social security	284,591	198,467
Other creditors	427,234	323,901
Accruals and deferred income	860,237	915,833
	<u>1,875,179</u>	<u>1,628,679</u>

	2023 £	2022 £
Deferred income at 1 September	402,492	402,508
Resources deferred during the year	287,015	402,492
Amounts released from previous periods	(402,492)	(402,508)
	<u>287,015</u>	<u>402,492</u>

Deferred income held at the balance sheet date includes grant income and trip income relating to the 2023/24 academic year as well as clawback income for underspends on the Maths Hub and SCITT.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

19. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Other loans	57,500	15,000

The initial loans included two separate salix loan agreements with ESFA and are both repayable over eight years. An additional two ESFA loans of £45,000 each have been provided and are repayable over two years.

20. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General Fund	525,056	381,334	(5,536)	-	-	900,854
Restricted general funds						
General Annual Grant (GAG)	175,565	14,246,263	(14,521,245)	412,860	-	313,443
Pupil Premium	-	435,133	(435,133)	-	-	-
LA income	-	346,425	(346,425)	-	-	-
Other ESFA Income	-	910,419	(910,419)	-	-	-
MK-ECF	18,574	159,175	(121,739)	(39,092)	-	16,918
S.C.I.T.T	108,899	499,221	(490,870)	-	-	117,250
Teaching School	258,059	7,424	(8,750)	(256,733)	-	-
Maths Hub	83,576	558,435	(558,435)	(24,733)	-	58,843
Computer Hub	150,819	128,402	(127,389)	(138,992)	-	12,840
Walling Primary	-	74,700	(74,700)	-	-	-
Miscellaneous Income	53,394	148,112	(201,506)	-	-	-
Salix loan	(22,500)	5,000	-	-	-	(17,500)
CIF Loan	-	-	(90,000)	-	-	(90,000)
Pension reserve	(850,000)	-	(171,000)	-	721,000	(300,000)
	(23,614)	17,518,709	(18,057,611)	(46,690)	721,000	111,794

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

20. Statement of funds (continued)**Restricted fixed
asset funds**

Restricted fixed asset fund	80,182,490	11,754,520	(1,929,162)	1,095,988	-	91,103,836
ESFA Capital	76,290	1,378,288	-	(395,130)	-	1,059,448
New Build grant	238,004	-	-	(238,004)	-	-
Watling Academy	722,447	161,495	-	(389,848)	-	494,094
Watling Primary	-	334,500	(155,461)	(26,316)	-	152,723
	<u>81,219,231</u>	<u>13,628,803</u>	<u>(2,084,623)</u>	<u>46,690</u>	<u>-</u>	<u>92,810,101</u>
Total Restricted funds	<u>81,195,617</u>	<u>31,147,512</u>	<u>(20,142,234)</u>	<u>-</u>	<u>721,000</u>	<u>92,921,895</u>
Total funds	<u>81,720,673</u>	<u>31,528,846</u>	<u>(20,147,770)</u>	<u>-</u>	<u>721,000</u>	<u>93,822,749</u>

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

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

Pupil Premium is a grant allocated to academies with pupils that are known to be eligible for free school meals. The purpose is to raise attainment for pupils from low income families.

Teaching School is funded by grants and tuition fees in order to offer training courses to teachers. The funds remaining at the year end will be used to support future training requirements.

The pension reserve represents the net deficit on the LGPS defined benefit pension scheme. The deficit arose because of the pension scheme deficit inherited upon conversion.

The restricted fixed asset fund includes the freehold property and all other fixed assets. Depreciation charged on the assets is allocated to the fund.

The funds held in Restricted Fixed Asset funds are to provide for planned capital expenditure on improvements to the building and premises. Such expenditure is becoming necessary, and it is vital to ensure reserves are available, as the building ages, and improvements required are not eligible for CIF grants.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2023.

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

20. Statement of funds (continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Fund	248,362	276,694	-	-	-	525,056
Restricted general funds						
General Annual Grant (GAG)	88,908	11,623,696	(11,377,168)	(182,371)	-	153,065
Pupil Premium	-	312,500	(312,500)	-	-	-
LA income	-	246,102	(246,102)	-	-	-
Other ESFA income	13,786	596,302	(596,302)	(13,786)	-	-
MK-ECF	-	98,668	(80,094)	-	-	18,574
S.C.I.T.T	184,424	321,386	(396,911)	-	-	108,899
Teaching School	291,167	(120)	(32,988)	-	-	258,059
Maths Hub	83,576	490,569	(490,569)	-	-	83,576
Computer Hub	87,133	207,890	(144,204)	-	-	150,819
Watling Primary	-	-	-	-	-	-
Miscellaneous income	-	39,608	-	13,786	-	53,394
Salix loan	-	-	-	-	-	-
CIF Loan	-	-	-	-	-	-
Pension reserve	(5,602,000)	-	(882,000)	-	5,634,000	(850,000)
	<u>(4,853,006)</u>	<u>13,936,601</u>	<u>(14,558,838)</u>	<u>(182,371)</u>	<u>5,634,000</u>	<u>(23,614)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

20. Statement of funds (continued)**Restricted fixed
asset funds**

Restricted fixed asset fund	80,895,585	-	(1,793,803)	1,080,708	-	80,182,490
ESFA Capital	649,061	42,943	-	(615,714)	-	76,290
New Build grant	238,004	-	-	-	-	238,004
Walling Academy	790,070	215,000	-	(282,623)	-	722,447
Walling Primary	-	-	-	-	-	-
	<u>82,572,720</u>	<u>257,943</u>	<u>(1,793,803)</u>	<u>182,371</u>	<u>-</u>	<u>81,219,231</u>
Total Restricted funds	<u>77,719,714</u>	<u>14,194,544</u>	<u>(16,352,641)</u>	<u>-</u>	<u>5,634,000</u>	<u>81,195,617</u>
Total funds	<u><u>77,968,076</u></u>	<u><u>14,471,238</u></u>	<u><u>(16,352,641)</u></u>	<u><u>-</u></u>	<u><u>5,634,000</u></u>	<u><u>81,720,673</u></u>

THE DENBIGH ALLIANCE**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

20. Statement of funds (continued)**Total funds analysis by academy**

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	2022 £
Denbigh School	-	103,593
Walling Academy	115,000	54,929
Central Services	1,197,648	1,192,920
Total before fixed asset funds and pension reserve	1,312,648	1,351,442
Restricted fixed asset fund	92,810,101	81,219,231
Pension reserve	(300,000)	(850,000)
Total	93,822,749	81,720,673

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2023 £	Total 2022 £
Denbigh School	7,562,713	1,368,788	159,850	1,748,499	10,839,850	9,696,655
Walling Academy	3,757,767	728,243	140,847	992,394	5,619,251	3,588,566
Central Services	118,840	585,740	-	1,054,927	1,759,507	1,273,617
Academy	11,439,320	2,682,771	300,697	3,795,820	18,218,608	14,558,838

THE DENBIGH ALLIANCE**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

21. Analysis of net assets between funds**Analysis of net assets between funds - current year**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	91,103,836	91,103,836
Current assets	900,854	2,344,473	1,706,265	4,951,592
Creditors due within one year	-	(1,875,179)	-	(1,875,179)
Creditors due in more than one year	-	(57,500)	-	(57,500)
Provisions for liabilities and charges	-	(300,000)	-	(300,000)
Total	900,854	111,794	92,810,101	93,822,749

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	80,182,490	80,182,490
Current assets	540,056	2,455,065	1,036,741	4,031,862
Creditors due within one year	-	(1,628,679)	-	(1,628,679)
Creditors due in more than one year	(15,000)	-	-	(15,000)
Provisions for liabilities and charges	-	(850,000)	-	(850,000)
Total	525,056	(23,614)	81,219,231	81,720,673

THE DENBIGH ALLIANCE**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

22. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2023 £	2022 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	11,381,076	(1,881,403)
Adjustments for:		
Depreciation	1,929,162	1,793,803
Capital grants from DfE and other capital income	(1,874,283)	(257,943)
Interest receivable	(94,962)	-
Acquired on transfer	(11,754,520)	-
Defined benefit pension scheme cost less contributions payable	150,000	781,000
Defined benefit pension scheme finance cost	21,000	101,000
(Increase)/decrease in debtors	(1,187,506)	696,979
Increase in creditors	204,000	163,821
Net cash (used in)/provided by operating activities	(1,226,033)	1,397,257

23. Cash flows from financing activities

	2023 £	2022 £
Repayments of borrowing	(5,000)	(5,000)
CIF Loans	90,000	-
Net cash provided by/(used in) financing activities	85,000	(5,000)

24. Cash flows from investing activities

	2023 £	2022 £
Dividends, interest and rents from investments	94,962	-
Purchase of tangible fixed assets	(1,095,988)	(1,080,708)
Capital grants from DfE Group	1,874,283	257,943
Net cash provided by/(used in) investing activities	873,257	(822,765)

THE DENBIGH ALLIANCE**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

25. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	<u>3,378,471</u>	<u>3,646,247</u>

26. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	3,646,247	(267,776)	3,378,471
Debt due within 1 year	(7,500)	(42,500)	(50,000)
Debt due after 1 year	(15,000)	(42,500)	(57,500)
	<u>3,623,747</u>	<u>(352,776)</u>	<u>3,270,971</u>

27. Capital commitments

	2023 £	2022 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>1,155,812</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

28. Pension commitments

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

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

Contributions amounting to £285,974 were payable to the schemes at 31 August 2023 (2022 - £193,704) and are included within creditors.

Teachers' Pension Scheme

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

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2024.

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

The employer's pension costs paid to TPS in the year amounted to £1,578,808 (2022 - £1,319,986).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £942,000 (2022 - £554,000), of which employer's contributions totalled £728,000 (2022 - £437,000) and employees' contributions totalled £214,000 (2022 - £117,000). The agreed contribution rates for future years are 22.1 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	3.90	3.95
Rate of increase for pensions in payment/inflation	2.90	2.95
Discount rate for scheme liabilities	5.30	4.25
Commutation of pensions to lump sums	50.00	50.00

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

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28. Pension commitments (continued)

	2023 Years	2022 Years
Retiring today		
Males	20.7	21.0
Females	24.3	24.6
Retiring in 20 years		
Males	22.0	22.3
Females	25.7	26.0

Sensitivity analysis

	2023 £000	2022 £000
Discount rate -0.1%	133	159
Discount rate +0.1%	(129)	(155)
Mortality assumption - 1 year increase	207	199
Mortality assumption - 1 year decrease	(201)	(193)
CPI rate +0.1%	133	153
CPI rate -0.1%	(129)	(193)

Share of scheme assets

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

	At 31 August 2023 £	At 31 August 2022 £
Equities	3,875,000	3,321,000
Gilts	505,000	476,000
Other bonds	676,000	760,000
Property	389,000	385,000
Cash and other liquid assets	86,000	146,000
Absolute return portfolio	482,000	257,000
Multi asset credit	651,000	539,000
Alternative assets	171,000	80,000
Total market value of assets	6,835,000	5,964,000

The actual return on scheme assets was £(358,000) (2022 - £(375,000)).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

28. Pension commitments (continued)

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

	2023 £	2022 £
Current service cost	(873,000)	(1,226,000)
Interest income	279,000	101,000
Interest cost	(300,000)	(190,000)
Administrative expenses	(5,000)	(4,000)
Total amount recognised in the Statement of Financial Activities	(899,000)	(1,319,000)

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

	2023 £	2022 £
At 1 September	6,814,000	11,475,000
Current service cost	873,000	1,226,000
Interest cost	300,000	190,000
Employee contributions	214,000	117,000
Actuarial gains	(1,358,000)	(6,110,000)
Benefits paid	292,000	(84,000)
At 31 August	7,135,000	6,814,000

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

	2023 £	2022 £
At 1 September	5,964,000	5,873,000
Interest income	279,000	101,000
Actuarial losses	(637,000)	(476,000)
Employer contributions	728,000	437,000
Employee contributions	214,000	117,000
Benefits paid	292,000	(84,000)
Administration costs	(5,000)	(4,000)
At 31 August	6,835,000	5,964,000

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

The amounts recognised in the Balance Sheet are as follows:

	2023 £	2022 £
Closed defined benefit obligation	(7,135,000)	(6,814,000)
Closing fair value of scheme assets	6,835,000	5,964,000
	<u>(300,000)</u>	<u>(850,000)</u>

Total remeasurements recognised in Other Comprehensive Income:

	2023 £	2022 £
Changes in financial assumptions	1,784,000	5,821,000
Changes in demographic assumptions	175,000	310,000
Other remeasurements	(1,238,000)	(497,000)
	<u>721,000</u>	<u>5,634,000</u>

29. Operating lease commitments

At 31 August 2023 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	27,712	1,461
Later than 1 year and not later than 5 years	28,614	2,922
	<u>56,326</u>	<u>4,383</u>

30. 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

31. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

Facilities of Shenley Leisure Centre are shared between the academy and Shenley Leisure Centre Trust Limited where a Trustee is common in both entities. During the year the Academy received income of £53,212 (2022: £78,920) in relation to lettings income and recharging the utility costs of the shared access areas. The academy also paid £2,269 (2022: £Nil) to Shenley Leisure Centre Trust Limited as their share of any repairs and cleaning costs incurred.

32. Post balance sheet events

Walling Primary School joined the Trust within the year and opened with effect from 1 September 2023. Additionally, two more Primary Schools will be joining the Trust with effect from 1 April 2024.

33. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022 the Trust received £22,739 (2022 - £22,257) and disbursed £30,179 (2022 - £14,817) from the fund. An amount of £nil (2022 - £7,440) is included in other creditors relating to undistributed funds.

34. Transfer of existing academies into the Academy

On 14 July 2023 a tenancy at will was entered into by The Denbigh Alliance in respect of Watling Primary School. (See note 16)

This has been accounted for as a transaction that is in substance a gift.

The following table sets out the fair value of the identifiable assets transferred and their associated recognition in the Statement of Financial Activities.

Watling Primary School

	Value reported by transferring trust £	Transfer in recognised £
Tangible fixed assets		
Short-term leasehold property	11,754,520	11,754,520