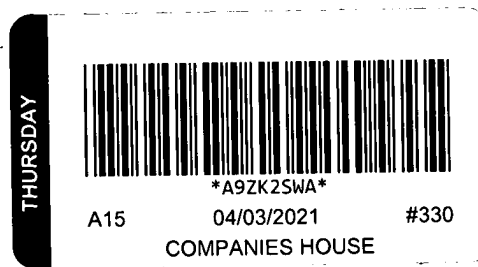


Company Registration Number: 7272906 (England & Wales)

ALPHA ACADEMIES TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020



ALPHA ACADEMIES TRUST
(A company limited by guarantee)

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ALPHA ACADEMIES TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	C Jones, Chair D Heywood J Patino P Richards M White
Trustees	K Townshend, Chair D Butterfield (resigned 3 April 2020) S Packham C Thomas P Willans S French, Executive Principal/CEO (appointed 1 September 2019) M Getty (appointed 1 September 2019) M Yates (appointed 3 April 2020, resigned 28 August 2020) R Gittins (appointed 27 August 2020) A Proctor (appointed 27 August 2020) J Smith (appointed 27 August 2020) D Thompson (appointed 3 April 2020)
Company registered number	7272906
Company name	Alpha Academies Trust
Principal and registered office	Discovery Drive Stoke-on-Trent ST2 0GA
Company secretary	M Bagshaw
Senior management team	Simon French, Principal (CEO/Executive Principal) Ann-Marie Lucy, Chief Operating Officer Darren Bishop, Principal, Excel Academy Jonathon Baddeley, Principal, Maple Court Academy (resigned 29 February 2020) Louise Brammer, Seconded Executive Principal, Maple Court & Senior Principal Eaton Park Academy Paula Rippingham Smith, Principal, Reach AP Academy Rob Kelsall, Principal, Discovery Academy Rosina Lee, Principal, Sneyd Academy
Independent auditor	Mazars LLP Chartered Accountants Park View House 58 The Ropewalk Nottingham NG1 5DW

ALPHA ACADEMIES TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Bankers

Lloyds Bank Plc
125 Colmore Row
Birmingham
B3 3SF

Solicitors

Freeths LLP
Federation House
Station Road
Stoke on Trent
ST4 2SA

Eversheds Sutherland (International) LLP
Bridgewater Place
Water Lane
Leeds
LS11 5DR

ALPHA ACADEMIES TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Alpha Academies Trust for the year ended 31 August 2020. The Trustees confirm that the annual report and financial statements of the Trust comply with the current statutory requirements, the requirements of the Academy Trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The Trust is comprised of 5 academies, including 2 secondary schools, 2 primary schools and 1 alternative provision school. Eaton Park Academy joined the Trust on the 1st September 2020. All academies are based in Stoke on Trent.

The Trust's academies operate across Stoke on Trent and have a combined pupil capacity of 4,000 on roll in the school census year October 2020.

Structure, governance and management

a. Constitution

The Alpha Academy Trust (AAT) is a charitable company limited by guarantee and an exempt charity.

The AAT is constituted under a Memorandum and Articles of Association which are the primary governing documents of the Trust. The Trustees of the AAT are also Directors of the charitable company for the purposes of company law. The charitable company operates as AAT. Details of the Trustees who served during the year 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

The AAT, through its insurance provision, indemnifies Trustees' against claims made arising from professional negligence or errors and omissions whilst on Trust business. The ESFA, RPA insurance cover provides unlimited cover. There were no third-party indemnity provisions to year end August 2020.

ALPHA ACADEMIES TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The Trust appointed a new Trustee, who commenced on 1 September 2019, bringing the total number of Trustees at that point to 7.

Following the resignation of one Trustee in April 2020, 2 new Trustees were interviewed and appointed in April 2020 to strengthen the expertise of the Board, one being an experienced educationalist from the Primary sector and the other experienced in socially minded business and social change/support, bringing the total number of Trustees to 8. New Members and Trustees are appointed in line with the Memorandum and Articles to provide greater breadth of professional skills and experience as required. With this in mind, The Board agreed to seek a 9th Trustee and then following the resignation of a further Trustee (Primary specialist), a very successful recruitment campaign was concluded resulting in the appointment of 3 new Trustees in August 2020, bringing the total number of Trustees to 10. Recruitment of the 11th and final Trustee will continue into 2020/21 to replace the lost Primary expert.

The strategic oversight of the Trust is the responsibility of the Trustees, who are appointed by the Members. The Trustees are the 'directors,' of the charitable company for the purposes of the Companies Act 2006 and Trustees for the purposes of the charity legislation. Other governors representing staff, parents, employers and the wider community are recruited to form the membership of local governing boards for each academy.

The term of office for any Trustee and governor is four years, renewable once, to comply with best practice. This period of office does not apply to the Chief Executive Officer. The recruitment and succession planning of Trustees supports achievement of the Trust's Vision, Mission and Strategic Ambitions. The Trust undertakes regular skills audits to inform the recruitment and development process to ensure that governance at all levels supports the Trust's needs, including skills in:

- Leadership and Strategic Management and Business
- Education and Safeguarding
- Finance, Risk and Audit and Legal
- Health and Safety
- Estate and Property Management
- Strategic and Community Partnerships
- Organisational Development and Human Resources

e. Policies adopted for the induction and training of Trustees

Induction of new Trustees and governors is overseen and led by the independent Clerk to the Trust. The induction programme includes a comprehensive programme of training on appointment, covering education, legal and financial matters together with mandatory training in respect of safeguarding, Prevent and GDPR regulations. All new Trustees and governors visit the academies and meet with staff and students. Key documents are provided through a secure portal including Trust policies, procedures, accounts, strategic plans, key performance and benchmarking data.

ALPHA ACADEMIES TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

f. Organisational structure

The Board of Trustees is responsible for overseeing the strategic direction and performance of the Trust and of all academies within the Trust. Two sub committees are now constituted by the Trust. The Audit, Finance and Risk Committee operates by combining Finance, Operations and Audit matters. The Committee has a two part agenda with one Trustee chairing Finance and Operations and another chairing Audit. The Standards Committee was convened this year to provide improved oversight of educational standards at each academy, scrutinise progress towards set goals and ensure risk is understood and well managed. The first meeting of the Standards Committee was arranged to take place in April, but due to Covid was delayed until June 2020.

Each Academy has a local governing body that meets a minimum of four times per year.

The Trust has established a leadership and management structure to enable efficient and effective delivery and provide value for money. The structure comprises:

- The Members
- The Trustees
- The Local Governing Boards
- The Executive Leadership Team
- The Senior Leadership Teams for each academy
- The Trust Standards Leadership Team

The Chief Executive Officer leads an executive leadership team comprising all academy principals and the Chief Operating Officer. The Executive Leadership Team is responsible for the implementation of Trust strategy. The CEO assumes the role of Accounting Officer for the Trust.

Sarah Robinson retired as Chief Executive Officer with effect from 31 August 2019. Following a rigorous recruitment process, Simon French was appointed as Chief Executive Officer/Executive Principal with effect from 1 September 2019.

The Chief Operating Officer is the chief finance person and has responsibility for the Finance function and leads the business support services.

Each academy is led by a Principal, with a Senior Leadership Team to provide support. All roles and responsibilities are clearly set out in a Scheme of Delegation.

The Audit, Finance and Risk Committee is responsible for all finance, HR and estates issues and for audit and risk issues. The committee has approved terms of reference set out in the Scheme of Delegation. The internal audit role was undertaken by TIAA in 2019/20. All reports are monitored and reviewed by the Audit, Finance and Risk Committee. The Trust Board has approved a Scheme of Financial Delegation which clearly sets out the level of financial authority delegated to Trustees, the Audit, Finance and Risk Committee, the Chief Executive Officer, Chief Operating Officer, Principals and all budget holders.

ALPHA ACADEMIES TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

The Standards Committee is responsible for the oversight and monitoring of educational performance for all academies. The Committee reviews the self-evaluation judgements for each Ofsted area, ensuring the evidence for each judgment is secure and that local governing boards carry out their standards review role effectively. Functions carried out by the Standards Committee include:

- monitoring, evaluating and reviewing the academy risk register to ensure all performance-related risks have appropriate controls in place;
- reviewing and evaluating the information contained in the academy card;
- ensuring actions are being taken by leaders, so outcomes at least meet national averages;
- reviewing priorities identified by leaders in development plans and ensuring plans, including actions taken as part of the Trust's school improvement strategy, are accountable and have clear objectives that will lead to clear success milestones.

The Senior Leadership Teams at each academy are responsible for the operational plans, school improvement plans and risk registers for their academy. They implement Trust policies and procedures and seek to deliver excellent education for their students within agreed budgets and the Scheme of Delegation. Each Senior Leadership Team is led by a Principal. The Principal of each academy reports to the CEO, who is also the Accounting Officer for the Trust.

The Trust Standards Leadership Team members are appointed as a substantive post in the academies Senior Leadership Team. Part of their leadership role is to support standards across the Trust in a specific curriculum area. This internal school improvement capacity operates across the Trust and has reduced the reliance on external consultancy. Trust Standards Leaders report to the Principal of the academy and the CEO to evaluate effectiveness.

Extended Leadership Teams include heads of department and lead managers at each academy. These managers are responsible for the day to day operation at each academy and they may be designated budget holders.

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

The Chief Executive, Principals and all senior leaders engage in an annual cycle of performance management. The process involves the review of the previous year's performance and setting specific objectives for the forthcoming year. The Trust's Standards Improvement Partners support the Trust Board in providing an external assessment of the performance of individual post holders in respect of their performance against objectives and the self-evaluation process. The National Standards of Excellence for Head Teachers (DfE 2015 - updated on 13th October 2020) are used as guidance to support this process as well as shaping the practice and professional development of senior leaders, informing the appraisal process, supporting recruitment and providing a framework for training middle and senior leaders.

The Trust has adopted the Stoke on Trent Local Authority policy and procedures (agreed by Trade Unions) for performance management. This enables the process to be benchmarked against local schools and academies. Decisions relating to pay progression are presented to the Trust Board for approval in line with the Trust's Scheme of Delegation. In addition, the Trust has adopted the School Teachers' pay and conditions document that was agreed both nationally and locally. The pay scale adopted in the Trust is the current teachers' and support staff national pay scale. These arrangements have been agreed by the recognised Trade Unions and ensure equal pay in line with the Performance Management policy.

ALPHA ACADEMIES TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

h. Related parties and other connected charities and organisations

The Academies Financial Handbook states: A Trust must pay no more than 'cost' for goods or services provided to it from individuals or organisations connected to the Trust. In respect of individuals working for the Trust it is more difficult to determine whether there is an element of profit for those individuals providing services rather than actual products. The Trust has decided that a good way to review whether the charge is acceptable is to assess the cost in respect of what the Trust would pay for that person if the Trust were to employ them.

The Trust provided a number of centralised services to all academies in the Trust to help reduce costs and streamline back office services. A number of the central support staff team are based at the Discovery Academy site. Eaton Park Academy was a federated member of the Alpha Academies Trust and has worked closely with the Trust under normal business arrangements during 2019 / 2020. Eaton Park Academy provided a number of services to the Trust over this financial year, one of which was a school improvement partnership. The service was tendered for and Eaton Park was successful. Services were provided at cost. Since then Eaton Park Academy converted and joined the Trust on 1st September 2020.

i. Engagement with employees (including disabled persons)

The CEO regularly attends staff meetings at each academy and talks to all staff on the progress of Trust priorities, particularly those which directly relate to employees. The Trust consulted with key stakeholders over 2019/20 in the construction of a workload and recruitment strategy. Unfortunately, due to Covid, the launch of this strategy was delayed but is rescheduled to be delivered in 2020/21.

During the Covid pandemic the Trust set up staff representative groups at each Academy to consult over control measures in place to reduce transmission of the virus, as outlined in risk assessments. The frequency of these meetings has been weekly at times to ensure appropriate and effective consultation channels are open and the views of employees are considered. During the lock down period the CEO emailed updates to all staff and Trustees on a daily basis.

Employees are given frequent updates on the performance of the Trust, including through regular performance reviews, which also provide opportunities for CPD. Presentations are given to staff to support their role and identify how they contribute to the Trust's performance. These processes support the Trust in establishing an open and honest culture to encourage and welcome regular feedback (both positive and constructive) from its employees.

Employee involvement and employment of the disabled persons

The Trust strives to ensure that no employee or potential employee will receive less favourable treatment due to disability. The Trust has an equal opportunities policy in place, which applies to all selection and recruitment procedures and operates within the context of the Equality Act 2010. Our policy and strategy includes making reasonable adjustments to accommodate the needs of a disabled individual and asking medical questions at the pre-employment stage. These questions are asked to help decide whether there is a need to make reasonable adjustments to the selection process; help decide whether an applicant can carry out an essential part of the job and monitor diversity amongst applicants.

ALPHA ACADEMIES TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

Engagement with employees (including disabled persons) (continued)

The Trust regularly undertakes thorough reviews and equality analysis of policies and working practices, which helps to remove unfair discrimination and bias. Regular feedback is sought from employees with disabilities and long-term conditions.

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of feedback for senior management and the Trustees via presentation of HR report from COO and Trust updates from CEO.

The Academy Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & Safety policy

In accordance with the Academy Trust's equal opportunities policy, the Academy Trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

The Trust treats all employees equally and fairly in relation to career development, ensuring fair access to development opportunities with the aim of giving every employee an active personal development plan.

Full details of these policies are available from the Trust website, HR offices and are accessible on staff computer drives in all academies.

The latest details of the Gender Pay Gap report can be found on the Trust website.

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

The Trustees, CEO and COO communicate key decisions to staff and the local community during the year. An example of this would be actions and decisions taken through the Covid 19 lock down period. All suppliers were kept fully informed of academy closures and the impact on services provided. The Trust ensured all suppliers were paid on time throughout this difficult period to ensure their cashflow was maintained. The Trust ensured that staff, parents/carers, the local community and local authority officers were fully informed of its business operations and any key decisions made by the CEO/Trustees. One example being when Trustees approved the spend to purchase supermarket vouchers for parents/carers of free school meals children, while the Government portal was being established. The vouchers were distributed quickly to support families in desperate need in local communities. The Trust also distributed food parcels to local vulnerable families.

All Trust sites remained open during the lock down period, operating on a skeleton staff whilst providing services for vulnerable children on site and distance learning for children at home. All mini buses were placed on 24-hour standby to support the Army and NHS staff if required in the area.

ALPHA ACADEMIES TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

Objectives and activities

a. Objectives, strategies and activities

Our Strategic Ambition

In September 2019 the Trust created a mission and aims document which communicates to all stakeholders its strategic ambition. The strategy adopted in the mission and aims document is reviewed annually by the Trust Board and includes:

Objectives and aims

Our Vision: to 'lead a high performing Trust of great schools, clustered in communities serving the North Midlands, attaining the highest standards.

Our Mission: to put children/students first and at the heart of all our thinking.

Our Aims:

- **Adding Capacity:** To support the solutions that will unlock personal and academic potential for every student.
- **High Performing:** To use the full resources of the Trust that ensures we expect excellence for every student.
- **Collaborative:** To grow more effective partnerships within and beyond the Trust, that impact on students and are mutually supportive.
- **People:** To attract, develop and retain excellent people who are valued, supported and encouraged to innovate.
- **Finance and Infrastructure:** To have strong and sustainable finances with a highly effective infrastructure.
- **Leadership:** To develop expert leaders and governors with a range of skills that make a difference to student life chances.

b. Objectives, strategy and activity

The Trust continues to prioritise raising standards of progress and attainment for all students in all academies. Alongside this, the Trust will ensure that each school aims to set a balanced budget each year and all expenditure is managed within set budgets.

The Trust is also seeking to establish local geographical clusters, incorporating primary and secondary schools, to provide a broad and sequential curriculum that offers a rich experience. The Trust aims to expand and increase the number of academies in the Trust over the next five years, ensuring the integrity of its values are maintained at the same time.

The Trust revised its school improvement strategy in 2019/20 and, through the recruitment of Trust Standards Leads, has built up an internal capacity to support school improvement across the Trust. The use of external consultants is now much reduced, although the Trust does have in place Standards Improvement Partners with Primary, Secondary and Alternative Provision expertise to support the capacity of the Trust in school improvement.

ALPHA ACADEMIES TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

Eaton Park Primary, a high performing academy, was federated to the Trust and formally converted to join the Trust on 1st September 2020. Eaton Park was a single Academy Trust situated close to Maple Court Primary Academy and approximately 90% of its pupils progress to the Discovery Academy. This conversion means the Trust serves almost 4,000 children in Stoke on Trent.

At each academy we ensure there is a basic entitlement:

- Impeccable behaviour and high expectations
- A broad, balanced and personalised curriculum
- Teaching excellence
- An impressive range of enrichment, sporting and cultural activities
- High levels of personal support and engagement
- Safe and stimulating learning environments

The mission and aims document clearly identifies how the Trust will add value to its family of academies to support this basic entitlement.

A framework of enrichment exists at all AAT academies, (although temporarily disrupted due to Covid), designed to extend and develop character. Each academy develops an annual calendar of activities to support all year groups and students to participate in a wide range of activities. These include:

Experience the arts and culture - Visits to art galleries, museums, theatre and musical performances, participating in school productions and music lessons.

Experience sporting competitions and events - Attending professional events, participating in competitive activities, developing healthy lifestyles.

Experience cultures and global communities - Overseas visits and exchanges, collaborative links, visiting UK towns and cities.

Develop British Values - Understanding current affairs in the UK and globally, making a positive contribution to society, understanding democratic processes, health and emotional wellbeing, volunteering and fund raising.

Develop lifelong interests and skills for life - Reading, nutrition and cooking, financial literacy, student leadership.

Gain valuable experience of work - Enterprise, work experience, careers, information advice and guidance, coaching, project-based learning, business mentors and role models.

Some of these activities are currently being conducted using new technologies to ensure social distancing measures are applied.

ALPHA ACADEMIES TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

c. 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. Inextricably linked with this purpose is the aim of contributing to the public good. Through the provision of incidental educational activities and other activities we aim to contribute considerable benefits to the local community. There have been a significant number of activities undertaken by academies during the financial period to further its charitable process for the public benefit. The Trust feels that it makes a good contribution to community cohesion, especially evident during the Covid 19 lockdown period, as reflected in this report. The key public benefit delivered by the Trust is the provision of continued high-quality education to all students.

The Trust serves a catchment in Stoke-on-Trent, which contains a high number of disadvantaged families and the Trust's mission and aims are to identify solutions that will level up and provide equity of opportunity.

Strategic report

Achievements and performance

Review of performance

Discovery Academy

The Discovery Academy was inspected by Ofsted in January 2019 and was judged to be 'Good,' moving up from the 'RI' judgement in October 2016. Significant improvements continue to be made across a range of progress and attainment measures. Headlines of the 2020 GCSE results:

4+ in English and Maths – 58%

5+ in English and Maths – 36%

EBACC entry – 25%

Attainment 8 – 4.4

Discovery Academy continues to be a popular school with Year 7 oversubscribed.

Excel Academy

The Excel Academy improved performance in the 2020 GCSE exams, again consolidating improvements in recent years.

4+ in English and Maths – 76%

5+ in English and Maths – 49%

EBACC entry – 34%

Attainment 8 – 4.9

The results put the Excel Academy as one of the highest performing schools in the City. Year 7 is the most oversubscribed school in the City, based on first choice applications.

ALPHA ACADEMIES TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

Maple Court Academy

Maple Court Academy received an inadequate Ofsted judgement in November 2019. The Ofsted report identified several areas where leaders had not taken appropriate action. The Trust commissioned Eaton Park Academy to put an intensive support programme in place from July 2019. The Ofsted evaluation recognised the important contribution new Trust leaders had made and the Senior Principal at Eaton Park Academy has a seconded Executive Principal role, supporting both academies and implementing effective systems that have been proven to work at Eaton Park Academy. KS2 SATS did not proceed in 2020 due to the Covid pandemic, however internal assessments recorded before lock down showed a significant improvement from the 2019 results. The percentage number of students meeting expected standards in Reading, Writing and Maths (RWM) improved from 36% in 2019 to 45% in 2020. This was in no small part due to a huge improvement in Reading: 37% in 2019 to 65% in 2020 (a 4-year high).

Sneyd Academy

Sneyd Green Primary School converted to Sneyd Academy on 1 February 2019. KS2 SATS did not proceed in 2020 due to the Covid pandemic but internally assessed data recorded before lock down indicates that the percentage number of students meeting expected standard in Reading, Writing and Maths continued an improving trend (53% in 2018 up to 77% in 2020). Sneyd's results continue to be above national average. Attainment for all individual subjects is also above the national average.

Reach Academy

16 students graduated from Reach Academy in 2020. 89% of students left with 5 or more qualifications in 2020, compared to 63% in 2019. All but one student left with a graded GCSE in English and Maths and 22% achieved a grade 4 in English and Maths, a significant improvement on 2019.

a. Key performance indicators

The Trust is committed to delivering the highest standards of education in all of its academies and to providing every student with the opportunity, ambition and aspiration to succeed and progress.

Each academy has its own Development Plan designed to address specific areas for development. However, the Alpha Trust Board has identified a number of areas for development common to all academies in the Trust and has a clear focus on addressing these:

1. Raising attainment across all subjects so that students make accelerated progress, achieve their targets and exceed National Averages.
2. Utilise pupil premium funding effectively to support the progress and achievement of disadvantaged students.
3. Ensure that the quality of education in all Academies is consistently good or better.
4. Provide learning environments that are safe and secure, where behaviour and attitudes to learning are good or better and attendance is improving towards National targets.
5. Improve the effectiveness of leaders and managers at all levels to ensure maximum impact and measurable improvements in student performance.
6. Develop staffing, systems and outcomes to the standard required to ensure a good or better judgement by OFSTED.
7. Continue to raise the profile and reputation of the Trust and its academies to attract increasing numbers of students.
8. Expand the membership of the Trust and the wider federation in accordance with the strategic plan.

ALPHA ACADEMIES TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

The academy card, which provides updated information on key indicators throughout the year, evaluates how well academies are delivering the common areas of focus. External Standards Improvement Partners also validate how well leaders are driving forward improved standards. The Trust school improvement strategy provides differentiated intervention and support to academies, depending how well they are performing. Trust intervention and support is monitored closely by the Trust Standards Board to ensure value for money and impact.

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the AAT has the 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. The Trustees have approved a growth plan over the next four years in line with the reserves policy. The Trust has adequate reserves for over 12 months from December 2020 and going forward over the next 3 years. This can be evidenced by reviewing the 3-year budget forecast, reserves, student numbers.

The Trust has projected the following 3-year budget and reserves movement as at 31st August 2020.

This provides evidence that the Trust is producing detailed forecast workings considering relevant factors and utilising existing brought forward reserves to fund its continued growth.

This is also supported by a good cash flow position.

Year	2020-21	2021-22	2022-23
Current and deposit cash balances b/f	5,593,110	4,967,408	4,687,673
Income	23,657,875	23,636,896	24,353,313
Expenditure	24,783,577	23,916,631	24,654,509
Current and deposit cash balances c/f	4,967,408	4,687,673	4,386,387

Discovery and Excel Academies student numbers (secondary sector) continue to rise due to demographic reasons and parents' choice. This is creating a lag in funding, which is only in part funded by the Local Authority in growth funding. The Trust is using its reserves to fund this growth and once full numbers on roll are attained over the next 5 years, it is expected that balanced budgets will be achieved.

Student numbers at Sneyd Academy were lower than predicted, to address this situation the PAN will be reduced to enable the academy to reduce staffing costs going forward. Maple Court academy used some of its reserves in 2020 to support school improvement, this will continue in 2021. Reach alternative provision academy has only been budgeted for one year as this is due to close in 2021.

In September 2020 Eaton Park Academy joined the Trust and pre-audited management accounts shows it had healthy reserves of around £430,000 to year end August 2020. The academy is oversubscribed and has a 'Good' OFSTED rating. Eaton Park is an excellent addition to the Trust both educationally and financially.

Trustees have considered the impact of COVID 19 which is set out in more detail within the financial review, reserves policy and principal risks and uncertainties.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

ALPHA ACADEMIES TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

c. Promoting the Success of the Company

All Board members subscribe to and support the Nolan Principles for Public Life. These principles form the foundation for strategic planning and dealing with all stakeholders, both within and outside of the Trust. The Board annually agrees the Trust business plan and future strategic aims and considers the long-term impact of these plans on stakeholders and the community. The Trust has established consultative networks with stakeholders internally to consider the impact of plans and to provide regular feedback to Trust Board. Mechanisms established include; Chair of Governors network, Executive Board, Staff Representative feedback groups, half termly stakeholder survey.

A continued performance indicator for the Trust is its reputation in the community for delivering high standards and acting as a responsible local strategic partner. The Trust has developed closer relationships with other Trusts and the Stoke-on-Trent Local Authority and is focused on being a constructive partner to deliver a local strategy that has long term gain for the community. The Trust is represented on a number of local strategic groups within Stoke on Trent.

The Trustees, CEO and COO communicated key decisions to staff and the local community during the year as explained earlier in this report. In addition, Trustees held extra meetings and increased communication throughout the Covid lock down period. During lock down the Trust invested in additional IT equipment, which was quickly deployed to ensure continued education via distant learning for students. Risk assessments were carried out to ensure staff on site and working from home were meeting government guidance and regulations. Staff and parents were kept fully informed about the changes in government guidance. This action promoted the success of the Trust in the eyes of parents/carers, evident from the very positive feedback received. Another success was the continued provision of education and services on academy sites for the most vulnerable children and children of key workers throughout lock down and holiday periods.

Financial review

The financial statements reflect the ninth year of operational activity for the Trust. During the period 2019/2020 the Trust received total income of £22,931,874 of this sum £17,618,129 was received from the DfE via the Education Skills Funding Agency in respect of its General Annual Grant. This is used for day to day running costs. Costs for the year totalled £23,186,850 (excluding depreciation). The total general reserves being held at year end are £3,290,681. The reserves are being held to support the coming year's lagged funding for student numbers in two academies and also growth in other academies. In addition, there are a number of capital projects including the refurbishment of two 3G football pitches and a need to support the Discovery Academy as it is no longer in the PFI scheme. The Trust carried out an ICT Vision and Strategy review and the outcome was the Trust will need to spend in the region £500k on ICT hardware and infrastructure over the next two years, just to stand still.

Reserves have reduced annually in line with the reserves policy. The LGPS deficit as at 31st August 2020 increased to £11,526k from £10,044k. The agreed contribution rates for 2019/20 increased to 24.2%. A new actuarial valuation was carried out by Staffordshire Pension Fund Agency in October 2019, to forecast rates for April 2020/23. Rates for 2020/21 will increase to 25.2%.

The accounts include a valuation of Trust buildings and grounds, which amounted to £52,964,506 at 31 August 2020.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

The AAT financial objectives are to achieve an annual operating surplus to fund projects required over the coming years and to pursue alternative sources of funding to support Trust projects. The Trust's reserves have been depleting over several years as planned in line with financial forecasts. Due to the Covid 19 lock down period, reserves have been maintained. Reserves are mainly used to meet the short fall in funding due to a number of academies being in a growth period. The reason for the increase in student numbers is due to the success in results and popularity of AAT's academies. Year 7 at both Discovery and Excel are oversubscribed. Sneyd Academy joined the Trust in February 2019 - this school is also in growth and has a lag in funding.

Most of the AAT's funding is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ending 31st August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities. The analysis of the specific grants received can be seen in the financial statements.

The Trust also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommend Practice, such grants are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ending 31st August 2020, grants included devolved capital and, for the first year, the Trust received the School Capital Allocation totalling £393,661. Capital spend has included the construction of six classrooms and the maintenance and replacement of assets including playground equipment, furniture and storage containers. Due to Covid 19 government guidance, there was a need to build some additional offices, classrooms and purchase screens for a number of academies. All the funding above was spent for the purposes intended and within the timeline specified by the ESFA. Capital unspent at 31 August 2020 was £357,480 and is shown in Fixed Assets Funds and forms part of the plan for future designated expenditure

Under the charities SORP it is necessary to protect deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in the reducing reserves shown in the total funds of the Trust. It should be noted that this does not present the Trust with any current liquidity problem. The employer contributions continue to increase for the foreseeable future.

The Chief Operating Officer (COO), who is the named Chief Financial Officer (CFO) for the Trust, reviews the financial policies and process controls in place. The Trust has appointed a Head of Finance this year to support in this area, due to the continued growth of the Trust. All finance is controlled centrally with monthly management accounts being produced for all academies and consolidated for Trustees. Monthly management accounts are presented by the COO to the CEO and Chair of the Trust for review on a monthly basis. The management accounts are uploaded monthly to the Trustees'/Governors' portal. Finance reports are presented to Trust Board, Audit, Finance and Risk Committee and Local Governing Body meetings. The Principals of each Academy meet monthly with the COO to review the period of accounts. Any academies presenting financial challenges are escalated to the CEO and Trust Board for review and required action taken. All budget information produced is submitted on time to the ESFA in line with the ESFA returns calendar of deadlines.

The Audit, Finance and Risk Committee receive and review on an annual basis, the long-term financial forecasts to plan and organise resources effectively to deliver the strategic aims of the Trust.

The Trust's assets were used exclusively for providing education and associated services to students in AAT academies.

The deficits in the LGPS are recognised on the balance sheet in accordance with the provision of FRS102.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020.

Strategic report (continued)

Financial review (continued)

KPI indicators for 2019/2020

Staffing % of total income inc capital 70%
Staffing % of total expenditure inc capital 70%
Pupil to teacher ratio 18.24
Pupil to adult ratio 9.30
Staffing % of total income exc capital 71%
Staffing % of total expenditure exc capital 72%

a. Reserves policy

The Board of Trustees reviews reserve levels of the Trust annually at year end and as part of budget planning. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. Trustees determine what the level of uncommitted reserves should be and forms part of the reserves policy, which is reviewed annually. The aim is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies, such as urgent maintenance. As a part of monitoring the in-year financial performance, Trustees review the forecast impact on reserves and consider this as a part of its medium-term financial planning. During 2019/2020 Trustees planned to establish a high level of restricted general reserves at the year end. This is required to enable it to both manage unforeseen emergencies and also to enable planned use over the medium term to mitigate against anticipated closure costs, restructure and set up costs of new academies joining the Trust and budget shortfall for lagged funding at Excel and Discovery Academies. Due to Trust growth, reserves include a contingency for life cycle items as Discovery Academy is no longer part of the PFI scheme. Both Discovery and Excel academies will require additional furniture and resources for the planned building programme, due to growth in student numbers over the next 5 years and subsequent lack of classroom space. We have also considered the additional contingency required due to additional cleaning and PPE requirements due to Covid 19.

Total funds held at 31 August 2020 were £45,547,323 (2019 - £47,371,721) of which £3,290,681 related to unrestricted and restricted general funds. (See the balance sheet note 19 whereby the general reserves of £3,290,681 comprise of £845,526 unrestricted & restricted £2,445,155). The Trust plans to hold a minimum of £1.5 million as a contingency in general reserves to cover 5% of estimated future annual income.

The Board of Trustees have decided that the reserves level for 2020 will be in excess of £2.5 million, based on an analysis of the points above and the likelihood that they may occur and the amount of funding that would be required if they did. The level of reserves will be reviewed and set on an annual basis as part of the budget setting plan and the financial statements review. The policy is linked to the reserves review in the financial statements and on in note 19 General Unrestricted Reserves of £845,526 and the General Annual Grant balance of £2,445,155, which totals a net balance of £3,290,681 giving the year end reserves. The Trust pension liability is approximately £11.4 million at the end of August 2020.

The LGPS deficit as at 31st August 2020 increased to £11,526k from £10,044k. The agreed contribution rates for 2019/20 increased to 24.2%. A new actuarial valuation was carried out by Staffordshire Pension Fund Agency in October 2019 to forecast rates for April 2020/23. Rates for 2020/21 will increase to 25.2%.

The accounts include the valuation of the buildings and grounds within the Trust, which amounted to £52,964,506 at 31 August 2020.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

b. Investment policy

The current policy is to only invest in risk free deposit accounts. The treasury policy in place is reviewed annually by the Board. In 2019/20 £1,000,000 was invested in a 32-day short term notice deposit account to provide quick and easy access while interest rates are minimal. In essence Alpha Academies Trust Investment Strategy is;

- Regularly monitor cash flow and current accounts balances to ensure immediate financial commitments can be met (payroll and payment runs) and that the current account has adequate balances to meet forthcoming commitments. In practice a working balance of around £2 million is likely to be maintained.
- We avoid current accounts going overdrawn.
- Identify funds surplus to immediate cash requirements and transfer to a 32-day deposit account.
- Funds can be invested up to 12 months thereafter board approval would be sought.
- Treasury management will be authorised as detailed in the Scheme of Delegation.

No long-term investments are held by the Trust.

c. Principal risks and uncertainties

Financially the Trust has considerable reliance on continued Government funding through the ESFA. In the last year 94% of incoming resources were Government funded and, whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels, or on the same terms. The impact of the fair funding formula is awaited following the funding review which was carried out. The increase in teaching staff salaries over the coming years puts an additional strain on budgets. The teachers' pay award grant, which will be combined in the Annual General Grant, will help to cover some increases but this is only guaranteed for 2020/2021 and after that there are no guarantees.

The purpose of the financial regulations systems in place is to ensure the Trust maintains and develops systems of financial controls that comply with the requirements of both propriety and good financial management. It is essential that these systems operate properly to meet the requirements of the funding agreement and Academies Financial Handbook.

Systems and procedures have been established to mitigate the risks the Trust faces. The Trust's approach to risk has been comprehensively reviewed during the financial year including the impact of Covid 19 on the Trust. Covid 19 risks have been carefully reviewed and some risk mitigated. Legal Regularity requirements are covered in key areas of the Risk Management framework. All academy risk registers are aligned and feedback into the Trust's overarching Risk Register.

Failures in governance and/or management - The risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. Trustees, through their governance structure, continue to review and ensure appropriate measures are in place to mitigate these risks. The Trust undertakes regular reviews of internal controls and the risk register to improve systems and mitigate against risk.

Reputational – the continuing success of the Trust is dependent on the success of each academy, all of which are reliant on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Trustees and local governors ensure that student success and achievement are closely monitored and reviewed.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

Safeguarding and Child Protection – Trustees and local governors continue to ensure that the highest standards are maintained in areas of selection and monitoring of staff, operation of child protection policies and procedures, health and safety and discipline.

Fraud and mismanagement of funds – The Trust appoints internal auditors, TIAA to carry out checks on financial systems and records as required by the Academies Financial Handbook.

Trustees are aware of any major risks to which academies or the Trust are exposed, in particular those relating specifically to teaching, provision of facilities, finances and other operational areas of each academy. Systems have been implemented, including operational procedures and internal financial controls in order to minimise risk. Where significant risk still remains, they have ensured that adequate insurance cover is in place. Risk are reviewed in each academy and at Trust Board level.

The Trust is aware that the current uncertainty surrounding Covid 19 could potentially impact on its operations, service users and suppliers and continues to review and monitor impact on an ongoing basis.

A material risk for the Trust in relation to the defined pension scheme has been mitigated as Parliament agreed, at the request of the Secretary of State for Education, to guarantee that in the event of an academy or Trust closure, outstanding LGPS liability would be met by the DfE. The guarantee came in to force on 18th July 2013.

Fundraising

Funding for the operation and activities of academies is provided in the main by Government or other grants. Minimal fundraising activities take place but these are minor in nature.

Activities carried out in academies to raise funds for charity this year have been for Sports Relief, Children in Need, Non-uniform day and Christmas jumper day. Transactions are processed through the school fund bank account.

The Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by Trustees.

Plans for the future

2022 Aims

Trustees have set the following medium term aims to be met by the end of 2022:

Adding Capacity

To support the solutions that will unlock personal and academic potential for every student.

- The Trust supports over 5000 students
- Primary & Secondary hubs support an all-through excellence curriculum with strengthened partnerships with parents and local businesses
- The Trust works with local authorities and other Trusts to lead the strategic direction for the local area

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Plans for the future (continued)**High Performing:**

To use the full resource of the Trust that ensures we expect excellence for every student.

- The school improvement strategy ensures at least two academies within the Trust are judged outstanding, with all academies that have been part of the Trust for at least three years judged good.
- The best leaders to support internal school improvement are recruited and developed

Collaborative:

To grow more effective partnerships within and beyond the Trust, that impact on students and are mutually supportive.

- Curriculum development
- Teaching and innovation
- Inclusion and Safeguarding
- Character development
- Careers and cultural capital

People:

To attract, develop and retain excellent people who are valued, supported and encouraged to innovate.

- The Trust workload strategy retains and attracts the best talent
- A recruitment strategy incorporates quality ITT provision and a staff development entitlement supports career progression
- Stakeholders value the Trust and contribute to a strong reputation within the community

Finance and Infrastructure:

To have strong and sustainable finances with a highly effective infrastructure.

- Budgets always operate above 5% reserves
- Outstanding back office support
- New technologies are developed to support teaching and effective working practices
- Standardised policies that are proven to be effective are used in school to school support

Leadership:

To develop expert leaders and governors with a range of skills that make a difference to student life chances.

- Strong leadership meets clearly accountable targets and is supported by a comprehensive leadership programme
- There is effective governance with a range of skill sets
- Leaders collaborate across the Trust to inform the future strategic direction

What we aim to achieve 2020-2021**Adding Capacity:**

To support the solutions that will unlock personal and academic potential for every student.

- Deliver growth plans at Discovery and Excel Academies
- Eaton Park Academy to join the Trust and add additional school improvement capacity
- Specialist partnerships established – Chartered College of Teaching, Teach First, Newcastle under Lyme independent school, Teaching schools.
- Deliver alternative provision hubs across Trust secondary academies
- Enhance support so all academies can meet Covid 19 demands
- AAT to be represented on the local school forum

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

What we aim to achieve 2020-2021 (continued)

High Performing:

To use the full resource of the Trust that ensures we expect excellence for every student.

- Create a dashboard to identify the school improvement tier each academy is operating at
- To implement the Ofsted action plan at Maple Court Academy to ensure rapid improvement.
- Identify and support all risk areas, particularly those as a result of Covid 19
- Recruit additional Trust standards roles in Primary to add capacity
- To conduct NLE + Trust assurance reviews at each academy
- Encourage more SLT to become Ofsted trained

Collaborative:

To grow more effective partnerships within and beyond the Trust, that impact on students and are mutually supportive.

- Identify clear goals for networks across the Trust to ensure value in each collaboration (Subject/T+L/Ach/SMSC/Careers/Inclusion/Safe)
- AAT to coordinate a secondary AP network across Stoke on Trent to support more effective practice
- To develop a curriculum partnership with NULS to deliver better outcomes for the most able

People:

To attract, develop and retain excellent people who are valued, supported and encouraged to innovate.

- To ensure all stakeholders are supported and appropriate risk assessments considered through the continuing Covid 19 pandemic.
- Develop a Trust workload strategy and entitlement
- Establish a Trust recruitment strategy and create NQT entitlement in partnership with Teach First

Finance and Infrastructure:

To have strong and sustainable finances with a highly effective infrastructure.

- Manage effectively the numerous capital projects to successful completion
- Ensure student numbers are sustainable and act so budgets have no structural deficit
- Establish a new technology working group to identify plans that meet future needs
- Conduct a policy review to clarify which policies are either Autonomous, Aligned or Standardised

Leadership:

To develop expert leaders and governors with a range of skills that make a difference to student life chances.

- Implement the leadership development and governor training programme
- Plan a Trust leadership conference to review the progress of networks and to identify plans that will meet future strategic aims
- Evaluate the effectiveness of the LGB standards review role and create more standardised governor reports

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Streamlined energy and carbon reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	3532057
Energy consumption break down (kWh) (optional):	
• gas	
• electricity	
• transport fuel	
Scope 1 emissions in metric tonnes CO2e	
Gas consumption	403.73
Owned transport – mini-buses	5.88
Total Scope 1	409.61
Scope 2 emissions in metric tonnes CO2e	
Purchased electricity	305.39
Scope 3 emissions in metric tonnes CO2e	
Business travel in employee owned vehicles	1.52
Total gross emissions in metric tonnes CO2e	716.51
Intensity ratio	
Tonnes CO2e per pupil	0.21

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 2020 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.

Measures taken to improve energy efficiency in the period:

- Thermostats are set in academies where possible
- Centrally controlled heating in all PFI academies
- PC's are automatically closed down at 7.00pm – 7.00am
- Water meters are installed
- Academy equipment is on maintenance/replacement programme
- Most academies have full double-glazing windows and doors
- Staff are advised to turn off equipment, turn lights out and close windows at the end of each evening
- New buildings have light motion detectors
- Taps are on sensors
- Light bulbs are replaced with energy saving bulbs
- A cycle to work scheme is in place
- Old appliances are replaced regularly
- Before COVID, staff were encouraged to car share or travel to work on public transport
- Energy certificates are on display in all academy reception areas

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Funds held as custodian on behalf of others

The Academy does not hold funds as a custodian Trustee on behalf of others.

Disclosure of information to auditor

Insofar 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.

The trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on *18th December 2020* and signed on its behalf by:


.....
K Townshend
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

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

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 Alpha Academies Trust 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 9 times during the year (6 board meetings (1 of which included a strategy meeting) and 3 extraordinary board meetings).

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

Trustee	Meetings attended	Out of a possible
K Townshend	9	9
D Butterfield	1	3
S Packham	8	9
C Thomas	6	9
P Willans	5	9
S French	9	9
M Getty	6	9
M Yates	2	5
D Thompson	4	5

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Governance reviews

Following approval from the RSC in July 2017 for independence and growth, the Trust Board continued to strengthen its governance via the appointment of 2 new Trustees in April 2020 and the commencement of an external recruitment campaign in June to recruit a further Trustee. This recruitment exercise was successfully completed in August 2020 and 3 new Trustees were appointed wef 27 August 2020. The expertise they bring to the Board relates specifically to:

- Digital strategy and change
- IT services, business and product development
- Strategic planning and IT leadership in the education sector

The Trust Chair and Clerk undergo a performance management process to review progress and agree any objectives. The Trust Chair holds 1:1 sessions with all Trustees and LGB Chairs to reflect and gauge opinion on governance effectiveness and communications and make recommendations for improvements.

Key changes made to the composition of the Trust Board include the recruitment of 5 new Trustees during the year (2 Trustees resigned) giving a total of 10 Trustees, with plans to recruit one more Trustee with Primary experience. Recruitment of Trustees has strengthened the breadth of experience on the Board and also of the sub-committees.

Agendas for Board meetings and sub-committees follow a workplan and are set to ensure all elements of Trust operations are monitored and challenged. They also ensure that all activities conform with requirements of the Academies Financial Handbook and other sector regulators and guidance, eg from the DfE, ESFA.

The Trust Chair meets with Trustees and LGB Chairs annually on a 1:1 basis to:

- Discuss governance effectiveness
- Reflect on operation of sub-committees
- Discuss communications with academies and how this could be improved
- Consider how to make better use of Trustee/governor skills and discuss potential opportunities
- Review CPD offered to Trustees/governors

Feedback on common themes and key findings is reported back to the Trust Board.

An area of governance being internally reviewed by the Trust this year is to strengthen the scrutiny and challenge coming from local governing bodies in relation to school improvement. The CEO attends all local governing body meetings and has held discussions with them to agree a way forward. He has set the governor CPD offer this year to support governor development in this area by improving their knowledge and questions they should be asking of senior leaders. The impact of the training will be reviewed towards the end of the year. Trustees have agreed to link with a nominated local governing body to support the ongoing internal review and an external review of governance may be considered (possibly via the NGA) should further development be required.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Audit, Finance and Risk Committee is a sub-committee of the main board of Trustees and operates within agreed terms of reference. Findings from the committee are reported to the Trust Board and the Accounting Officer as a critical element of the Trust's annual reporting requirements.

The Audit, Finance and Risk Committee has no executive powers or operational responsibilities/duties. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Packham (Chair Finance)	2	2
C Thomas (Chair Audit)	2	2
K Townshend	2	2
S French	2	2
D Thompson	1	1
A Fox	2	2

The Standards Board is a newly constituted sub-committee of the main board of Trustees and operates within agreed terms of reference. Principals attend this committee meeting as required to present their performance data to members. Findings from the committee are reported to the Trust Board and provide rigorous oversight and scrutiny for educational standards for all academies.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
M Getty (Chair)	1	1
S French	1	1
S Packham	1	1
K Townshend	1	1
P Willans	0	1
M Yates	1	1

There are also 4 local governing body meetings held at each academy annually.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

The Accounting Officer considers how the 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 with schools in the area and national data. ESFA bench marking cards are also presented to the board.

The Accounting Officer has delivered improved value for money during the year as follows:

- Educational expertise is now shared across the Trust with additional capacity in place to support all academies.
- New data cards have been produced to show clear KPI's - Regular data reviews and moderation of the Academies - School Development plans. Plans are reviewed and challenged at all levels.
- Staffing expenditure is no higher than 77% of each academy's budget, unless there is a valid operational reason why this cannot be met.
- Staffing structures are revised annually to ensure they are fit for purpose and can adapt and respond to support the successful attainment of objectives within the Trust and academies' development plans.
- Creative use of human resources demonstrates a commitment to deploying staff skills effectively and staff are encouraged to use their particular areas of expertise to benefit student outcomes throughout the Trust.
- The Trust has carried out several staffing restructures over the last year to ensure an effective and efficient structure is in place to support the curriculum and operations of academies.
- The Trust has a high proportion of skilled and experienced support staff, thus ensuring that pupil to staff ratios are maintained at a high level whilst providing value for money.
- Staff are deployed to provide best value and temporary changes to permanent contracts are frequently used to meet the needs of the Trust.
- Staff are trained to provide and deliver good outcomes, thus reducing the reliance on external providers in the future.
- Some staff roles are now in place to support services throughout the Trust, not solely at one academy. Governance, Finance, Human Resources, Estates Management, Health & Safety, Data and Examinations have all been centralised to give economies of scale.
- Teachers' performance management and support staff appraisal systems are in place and Human Resources policies, such as Managing Absence, to help monitor and reduce absence.
- A number of savings have been made this year against budget due to the Covid 19 lockdown period.
- Ongoing review of procurement of services across academies to achieve better quality, economies of scale and consistent outcomes across academies. This is aided by the use of approved frameworks and school's commercial team's deals as approved by the ESFA.
- The Trust has employed six apprentices in the administration, finance and education support staff areas, to not only invest in staff but to utilise the apprenticeship levy.
- Ongoing review both external and internal of all academies to ensure that the expected outcomes of academies during Ofsted inspections are in line with Trust expectations. Interventions are delivered where required.

*There was an impact on expenditure this year due to the purchase of PPE items to ensure staff and students were safe and compliant. Items were bench marked but due to the supply being limited and the high demand, prices for some items were higher than we would normally pay.

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GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the year 1 September 2019 to 31 August 2020 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2019 to 31 August 2020 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. The Trust has a comprehensive Financial Procedures Manual. The Board and each Academy Senior Leadership team undertake a termly review of the Risk register. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Academies. The internal controls are then implemented. The Audit, Finance & Risk committee and Board would then review the Trust Risk Registers in line with academies findings. In particular systems in place, it includes:

- Scheme of Delegation;
- Financial regulations ;
- Comprehensive budgeting and monitoring systems;
- An annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- Regular reviews by the Trustees and local governing bodies of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure;
- Delegation of authority and segregation of duties;
- Identification and management of risks;
- Production of a 3-year financial forecast presented to the Audit, Risk & Finance Committee and Board.

The Board of Trustees has considered the need for a specific internal audit function and as such appointed TIAA as internal auditor from September 2019-2022.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. Twice a year the internal auditor reports to the Audit, Finance & Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

A schedule of work was approved during the year and adhered to. The schedule included the testing of payroll, purchasing, payments, budget monitoring process, student attendance, Governance and Health & Safety across the Trust. There were no findings which were perceived as a high or material risk.

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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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


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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the 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:


.....
K Townshend
Chair of Trustees

Date: 18/12/2020


.....
S French
Accounting Officer

Date: 18/12/2020

ALPHA ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Alpha Academies Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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.


.....
S French
Accounting Officer

Date: 18/12/2020

ALPHA ACADEMIES TRUST
(A company limited by guarantee)

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020**

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:

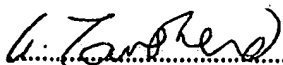
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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:


.....

K Townshend
Chair of Trustees

Date: 18/12/2020

ALPHA ACADEMIES TRUST
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Alpha Academies Trust (the 'Academy Trust') for the year ended 31 August 2020 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities (Charities SORP 2019) and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2020 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 2019 to 2020.

Basis for opinion

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

Conclusions relating to going concern

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

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

ALPHA ACADEMIES TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ALPHA ACADEMIES TRUST (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the incorporated 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.

ALPHA ACADEMIES TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ALPHA ACADEMIES TRUST (CONTINUED)

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement on page 30, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of the audit report

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

David Hoose

David Hoose (Senior Statutory Auditor)
for and on behalf of
Mazars LLP

Chartered Accountants
Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: 18/12/2020

ALPHA ACADEMIES TRUST

(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 25 September 2020 and further to the requirements of the Education and Skills Funding Agency ('the ESFA') as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Alpha Academies Trust during the year 1 September 2019 to 31 August 2020 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 Alpha Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Alpha Academies Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Alpha Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Alpha Academies Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Alpha Academies Trust's funding agreement with the Secretary of State for Education dated August 2012 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

ALPHA ACADEMIES TRUST
(A company limited by guarantee)

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

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mazars LLP

Mazars LLP

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: 18/12/2020

ALPHA ACADEMIES TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants:	3					
Transfer on conversion from local authority		-	-	-	-	6,435,643
Other donations and capital grants		8,294	-	393,661	401,955	1,320,334
Charitable activities	4	230,564	21,967,582	-	22,198,146	18,989,321
Other trading activities	5	239,219	85,787	-	325,006	594,046
Investments	6	6,767	-	-	6,767	9,912
Total income		484,844	22,053,369	393,661	22,931,874	27,349,256
Expenditure on:						
Raising funds	7	256,057	84,572	-	340,629	471,244
Charitable activities	7	293,602	22,552,619	1,252,422	24,098,643	21,553,189
Total expenditure		549,659	22,637,191	1,252,422	24,439,272	22,024,433
Net expenditure		(64,815)	(583,822)	(858,761)	(1,507,398)	5,324,823

ALPHA ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Net expenditure brought forward	(64,815)	(583,822)	(858,761)	(1,507,398)	5,324,823
Transfers between funds	(254,692)	-	254,692	-	-
Net movement in funds before other recognised losses	(319,507)	(583,822)	(604,069)	(1,507,398)	5,324,823
Actuarial losses on defined benefit pension schemes	-	(317,000)	-	(317,000)	(2,681,000)
Net movement in funds	(319,507)	(900,822)	(604,069)	(1,824,398)	2,643,823
Reconciliation of funds:					
Total funds brought forward	1,165,033	(8,180,023)	54,386,711	47,371,721	44,727,898
Net movement in funds	(319,507)	(900,822)	(604,069)	(1,824,398)	2,643,823
Total funds carried forward	845,526	(9,080,845)	53,782,642	45,547,323	47,371,721

ALPHA ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 7272906

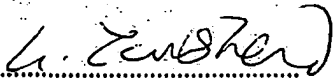
BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	53,425,162	54,007,341
		<u>53,425,162</u>	<u>54,007,341</u>
Current assets			
Stocks	15	10,267	31,369
Debtors	16	872,863	921,933
Cash at bank and in hand	23	5,671,233	5,101,123
		<u>6,554,363</u>	<u>6,054,425</u>
Liabilities			
Creditors: Amounts falling due within one year	17	(2,708,251)	(2,449,092)
		<u>3,846,112</u>	<u>3,605,333</u>
Net current assets		<u>3,846,112</u>	<u>3,605,333</u>
Total assets less current liabilities		<u>57,271,274</u>	<u>57,612,674</u>
Provisions for liabilities	18	(197,951)	(196,953)
		<u>57,073,323</u>	<u>57,415,721</u>
Net assets excluding pension liability		<u>57,073,323</u>	<u>57,415,721</u>
Defined benefit pension scheme liability	26	(11,526,000)	(10,044,000)
		<u>45,547,323</u>	<u>47,371,721</u>
Total net assets		<u>45,547,323</u>	<u>47,371,721</u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	19	53,782,642	54,386,711
Restricted income funds	19	2,445,155	1,863,977
		<u>56,227,797</u>	<u>56,250,688</u>
Restricted funds excluding pension liability	19	56,227,797	56,250,688
Pension reserve	19	(11,526,000)	(10,044,000)
		<u>44,701,797</u>	<u>46,206,688</u>
Total restricted funds	19	<u>44,701,797</u>	<u>46,206,688</u>
Unrestricted income funds	19	845,526	1,165,033
		<u>45,547,323</u>	<u>47,371,721</u>
Total funds		<u>45,547,323</u>	<u>47,371,721</u>

ALPHA ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 7272906

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 36 to 67 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



.....
K Townshend
Chair of Trustees

Date: 18/12/2020

The notes on pages 41 to 67 form part of these financial statements.

ALPHA ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	839,925	(271,036)
Cash flows from investing activities	22	(268,815)	513,028
Change in cash and cash equivalents in the year		570,110	241,992
Cash and cash equivalents at the beginning of the year		5,101,123	4,859,131
Cash and cash equivalents at the end of the year	23	<u>5,671,233</u>	<u>5,101,123</u>

The notes on pages 41 to 67 form part of these financial statements.

ALPHA ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Alpha Academies Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

Further information is provided within the Going Concern section of the Trustees Report.

ALPHA ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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.

• **Other income**

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

ALPHA ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

Assets costing £5,000 individually or £1,000 or more where linked to a capital project 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.

ALPHA ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

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:

Long leasehold land and buildings	- 2%, 4% and 10% straight line
Computers	- 33.3% straight line
Fixtures, fittings and equipment	- 10-20% straight line
Motor vehicles	- 20% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

1.6 Leased assets

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

1.7 Stocks

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

1.8 Liabilities

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

1.9 Provisions

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

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

ALPHA ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.10 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement 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 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. 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 Taxation

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

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

1.12 Pensions

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

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

ALPHA ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.12 Pensions (continued)

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

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

1.13 Fund accounting

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Transfer on conversion from local authority	-	-	-	-	6,435,643
Donations	8,294	-	-	8,294	12,843
Capital Grants	-	-	393,661	393,661	1,307,491
Total 2020	8,294	-	393,661	401,955	7,755,977
Total 2019	161,486	(1,113,000)	8,707,491	7,755,977	

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**NOTES TO THE FINANCIAL STATEMENTS
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4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	17,618,129	17,618,129	15,833,128
Other DfE Group grants	-	2,752,349	2,752,349	1,904,562
	-	20,370,478	20,370,478	17,737,690
Other Government grants				
Local authority grants	-	1,539,104	1,539,104	998,647
Other income from the Academy Trust's educational operations	193,244	-	193,244	252,984
	193,244	1,539,104	1,732,348	1,251,631
Exceptional government funding				
Coronavirus Job Retention Scheme grant	37,320	-	37,320	-
Coronavirus exceptional support	-	58,000	58,000	-
Total 2020	230,564	21,967,582	22,198,146	18,989,321
Total 2019	252,984	18,736,337	18,988,321	

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

The funding received for coronavirus exceptional support covers £58,000 of FSM costs. These costs are included in notes 7 and 8 below as appropriate.

The Academy Trust furloughed some of its catering and sports staff under the government's CJRS. The funding received of £37,020 relates to staff costs in respect of staff which are included within note 10 below as appropriate.

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NOTES TO THE FINANCIAL STATEMENTS
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5. Income from other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Hire of facilities	27,047	-	27,047	44,768
Income from other charitable activities	212,172	85,787	297,959	549,278
Total 2020	<u>239,219</u>	<u>85,787</u>	<u>325,006</u>	<u>594,046</u>
Total 2019	<u>439,028</u>	<u>155,018</u>	<u>594,046</u>	

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment income	6,767	6,767	9,912
Total 2019	<u>9,912</u>	<u>9,912</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Expenditure on fundraising trading activities	40,524	-	300,105	340,629	471,244
educational operations:					
Direct costs	14,170,869	-	2,446,373	16,617,242	15,041,727
Allocated support costs	3,556,317	1,691,396	2,233,688	7,481,401	6,511,462
Total 2020	17,767,710	1,691,396	4,980,166	24,439,272	22,024,433
Total 2019	15,793,828	1,499,729	4,730,876	22,024,433	

8. Charitable activities

	2020 £	2019 £
Direct costs - educational operations	16,617,242	15,041,727
Support costs - educational operations	7,481,401	6,511,462
	24,098,643	21,553,189
	2020 £	2019 £
Analysis of support costs		
Support staff costs	3,556,317	2,979,097
Depreciation	1,252,422	1,185,489
Premises costs	1,691,396	1,499,729
Legal costs - conversion	40,827	-
Legal costs - other	14,298	-
Other support staff costs	770,545	686,768
Governance costs	155,596	160,379
	7,481,401	6,511,462

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NOTES TO THE FINANCIAL STATEMENTS
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9. Net expenditure

Net expenditure for the year includes:

	2020	2019
	£	£
Operating lease rentals	1,273,429	1,053,982
Depreciation of tangible fixed assets	1,252,422	1,185,489
Fees paid to auditor for:		
- audit	15,640	15,185
- other services	5,490	3,898
	<u>17,087,081</u>	<u>16,494,052</u>

PFI charges included in operating leases rentals were £563,624 for 31 August 2020 (2019: £470,529)

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020	2019
	£	£
Wages and salaries	12,282,606	11,505,557
Social security costs	1,188,255	1,110,824
Pension costs	3,989,996	2,796,647
	<u>17,460,857</u>	<u>15,413,028</u>
Agency staff costs	214,881	322,166
Staff restructuring costs	91,972	58,634
	<u>17,767,710</u>	<u>15,793,828</u>

Staff restructuring costs comprise:

	2020	2019
	£	£
Redundancy payments	13,812	58,634
Severance payments	78,160	-
	<u>91,972</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

b. Staff numbers

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

	2020 No.	2019 No.
Management	27	24
Teachers	180	185
Administrative staff	262	261
	<u>469</u>	<u>470</u>

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	4	4
In the band £70,001 - £80,000	4	2
In the band £80,001 - £90,000	3	3
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	1
In the band £150,001 - £160,000	-	1
	<u>-</u>	<u>1</u>

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £810,687 (2019 - £869,841).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. Central services

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

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

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

Each academy within the Trust allocates up to a maximum of 4.5% of the ESFA budget for central services.

The actual amounts charged during the year were as follows:

	2020	2019
	£	£
Discovery Academy	296,158	274,713
Excel Academy	245,033	220,354
Maple Court Academy	100,777	98,056
Studio College - MaDE	-	22,842
Reach Academy	99,925	72,739
Sneyd Academy	75,326	34,615
Total	817,219	723,319

12. Trustees' remuneration and expenses

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

	2020	2019
	£	£
S Robinson (Accounting Officer and Trustee)		
Remuneration	-	150 - 155
Pension contributions paid	-	20 - 25
S French (Accounting Officer and Trustee)		
Remuneration	110 - 115	-
Pension contributions paid	25 - 30	-

During the year ended 31 August 2020, 3 Trustees received reimbursement of travel expenses totalling £407 (2019 - £1,082 to 3 Trustees).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

13. Trustees' and Officers' insurance

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

14. Tangible fixed assets

	Long leasehold land & buildings £	Motor vehicles £	Fixtures, fittings & equipment £	Computer equipment £	Assets under construction £	Total £
Cost or valuation						
At 1 September 2019	58,223,509	24,750	1,241,215	758,220	757,635	61,005,329
Additions	465,335	-	53,778	151,130	-	670,243
Transfers between classes	757,635	-	-	-	(757,635)	-
At 31 August 2020	59,446,479	24,750	1,294,993	909,350	-	61,675,572
Depreciation						
At 1 September 2019	5,384,533	19,698	926,007	667,750	-	6,997,988
Charge for the year	1,097,440	4,056	95,304	55,622	-	1,252,422
At 31 August 2020	6,481,973	23,754	1,021,311	723,372	-	8,250,410
Net book value						
At 31 August 2020	52,964,506	996	273,682	185,978	-	53,425,162
At 31 August 2019	52,838,976	5,052	315,208	90,470	757,635	54,007,341

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NOTES TO THE FINANCIAL STATEMENTS
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15. Stocks

	2020	2019
	£	£
Teaching materials	-	23,287
Catering stocks	10,267	8,082
	<u>10,267</u>	<u>31,369</u>

16. Debtors

	2020	2019
	£	£
Due within one year		
Trade debtors	3,492	26,904
VAT repayable	131,330	144,917
Other debtors	975	2,020
Prepayments and accrued income	737,066	748,092
	<u>872,863</u>	<u>921,933</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	712,396	822,216
Other taxation and social security	283,269	274,354
ESFA creditor, abatement of GAG	262,343	262,239
Other creditors	340,444	266,684
Accruals and deferred income	1,109,799	823,599
	<u>2,708,251</u>	<u>2,449,092</u>

	2020 £	2019 £
Deferred income at 1 September 2019	208,848	127,584
Resources deferred during the year	241,708	208,848
Amounts released from previous periods	(208,848)	(127,584)
	<u>241,708</u>	<u>208,848</u>

The above deferred income relates to; £52,913 rates relief, £63,283 Universal Free School Meals, £108,500 LEA science hub grant, £13,883 Sport England grant and £3,129 of trips, lettings and other balances in advance.

18. Provisions

	Enhanced pension provision £
At 1 September 2019	196,953
Charge to SOFA	998
	<u>197,951</u>

Enhanced pension provision

The enhanced pension provision relates to the cost of staff who have already left the Academy Trust's employment. This provision has been recalculated in accordance with guidance issued by the county council.

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	1,165,033	484,844	(549,659)	(254,692)	-	845,526
Restricted general funds						
General Annual Grant (GAG)	1,863,977	17,618,129	(17,036,951)	-	-	2,445,155
Pupil Premium	-	1,525,027	(1,525,027)	-	-	-
Other grants	-	2,910,213	(2,910,213)	-	-	-
Pension reserve	(10,044,000)	-	(1,165,000)	-	(317,000)	(11,526,000)
	<u>(8,180,023)</u>	<u>22,053,369</u>	<u>(22,637,191)</u>	<u>-</u>	<u>(317,000)</u>	<u>(9,080,845)</u>
Restricted fixed asset funds						
DfE Group capital grants	54,386,711	393,661	(1,252,422)	254,692	-	53,782,642
Total Restricted funds	<u>46,206,688</u>	<u>22,447,030</u>	<u>(23,889,613)</u>	<u>254,692</u>	<u>(317,000)</u>	<u>44,701,797</u>
Total funds	<u>47,371,721</u>	<u>22,931,874</u>	<u>(24,439,272)</u>	<u>-</u>	<u>(317,000)</u>	<u>45,547,323</u>

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

- Unrestricted funds represent those resources which maybe used towards meeting any of the charitable objects of the academy at the discretion of the Trustees;
- Restricted funds (excluding pension and other restricted reserves) represent funds received from the Department for Education and is specifically spent on the running of the academy;
- Pension reserve represents the liability on the Local Government Pension Scheme liability;
- Other restricted reserve represents funds which are restricted by the donor including school trip income;
- Restricted fixed asset funds represent resources which are applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose. The transfer between Restricted and Restricted Fixed Asset funds relates to GAG funds used for capital expenditure or capital funds used for capital maintenance.

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19. Statement of funds (continued)

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Discovery Academy	2,520,563	2,382,061
Excel Academy	309,652	210,077
Maple Court Academy	445,695	557,194
Studio College - MaDE	-	(5,377)
Reach Academy	115,440	(109,136)
Sneyd Academy	(214,150)	(13,421)
Central services	113,481	7,612
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	3,290,681	3,029,010
Restricted fixed asset fund	53,782,642	54,386,711
Pension reserve	(11,526,000)	(10,044,000)
	<hr/>	<hr/>
Total	45,547,323	47,371,721
	<hr/> <hr/>	<hr/> <hr/>

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit £
Sneyd Academy	214,150
	<hr/> <hr/>

The Academy Trust is taking the following action to return the academy to surplus:

Sneyd Academy – The deficit is due to a growth in pupil numbers and the corresponding lagged funding. The policy of lagged funding will further impact on the 2020/2021 budget. Trust reserves are being used to fund this growth and gap in funding until lagged funding catches up.

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19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Discovery Academy	4,900,797	949,971	771,310	770,276	7,392,354	7,402,989
Excel Academy	4,023,772	388,162	874,081	556,805	5,842,820	5,409,024
Maple Court Academy	1,819,672	257,298	451,865	406,731	2,935,566	2,601,963
Studio College - MaDE	-	-	-	-	-	624,944
Reach Academy	1,046,223	220,190	231,768	530,775	2,028,956	1,508,817
Sneyd Academy	2,145,870	277,333	512,937	151,487	3,087,627	1,657,820
Central services	234,535	1,503,887	130,804	30,301	1,899,527	1,633,387
Academy Trust	14,170,869	3,596,841	2,972,765	2,446,375	23,186,850	20,838,944

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19. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	893,168	863,410	(591,545)	-	-	1,165,033
Restricted general funds						
General Annual Grant (GAG)	2,470,918	15,833,128	(16,415,172)	(24,897)	-	1,863,977
Pupil Premium	-	1,445,416	(1,445,416)	-	-	-
Other grants	-	1,612,811	(1,612,811)	-	-	-
Pension reserve	(5,476,000)	(1,113,000)	(774,000)	-	(2,681,000)	(10,044,000)
	<u>(3,005,082)</u>	<u>17,778,355</u>	<u>(20,247,399)</u>	<u>(24,897)</u>	<u>(2,681,000)</u>	<u>(8,180,023)</u>
Restricted fixed asset funds						
DfE Group capital grants	46,839,812	8,707,491	(1,185,489)	24,897	-	54,386,711
Total Restricted funds	<u>43,834,730</u>	<u>26,485,846</u>	<u>(21,432,888)</u>	<u>-</u>	<u>(2,681,000)</u>	<u>46,206,688</u>
Total funds	<u><u>44,727,898</u></u>	<u><u>27,349,256</u></u>	<u><u>(22,024,433)</u></u>	<u><u>-</u></u>	<u><u>(2,681,000)</u></u>	<u><u>47,371,721</u></u>

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20: Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	53,425,162	53,425,162
Current assets	845,526	5,351,357	357,480	6,554,363
Creditors due within one year	-	(2,708,251)	-	(2,708,251)
Provisions for liabilities and charges	-	(11,723,951)	-	(11,723,951)
Total	845,526	(9,080,845)	53,782,642	45,547,323

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

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	54,007,341	54,007,341
Current assets	1,165,033	4,510,022	379,370	6,054,425
Creditors due within one year	-	(2,449,092)	-	(2,449,092)
Provisions for liabilities and charges	-	(10,240,953)	-	(10,240,953)
Total	1,165,033	(8,180,023)	54,386,711	47,371,721

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NOTES TO THE FINANCIAL STATEMENTS
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21. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2020 £	2019 £
Net (expenditure)/income for the period (as per statement of financial activities)	(1,507,398)	5,324,823
Adjustments for:		
Depreciation	1,252,422	1,185,489
Capital grants from DfE and other capital income	(393,661)	(1,307,491)
Interest receivable	(6,767)	(9,912)
Defined benefit pension scheme obligation inherited	-	1,113,000
Defined benefit pension scheme cost less contributions payable	965,000	594,000
Defined benefit pension scheme finance cost	200,000	180,000
Decrease in stocks	21,102	9,713
Decrease/(increase) in debtors	49,070	(252,453)
Increase in creditors	259,159	439,834
Increase in provisions	998	604
Transfer on conversion from local authority	-	(7,548,643)
Net cash provided by/(used in) operating activities	839,925	(271,036)

22. Cash flows from investing activities

	2020 £	2019 £
Interest received	6,767	9,912
Purchase of tangible fixed assets	(670,243)	(961,018)
Proceeds from the sale of tangible fixed assets	-	8,000
Capital grants from DfE Group	393,661	1,307,491
Transfer on conversion from local authority	-	148,643
Net cash (used in)/provided by investing activities	(269,815)	513,028

23. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	5,671,233	5,101,123

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	5,101,123	570,110	5,671,233

25. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements	-	361,519

26. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Staffordshire 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 2016.

Contributions amounting to £343,570 were payable to the schemes at 31 August 2020 (2019 - £264,012) 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.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury 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 2023.

The employer's pension costs paid to TPS in the year amounted to £1,819,193 (2019 - £1,180,647).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £1,273,000 (2019 - £1,059,000), of which employer's contributions totalled £1,025,000 (2019 - £842,000) and employees' contributions totalled £ 248,000 (2019 - £217,000). The agreed contribution rates for future years are 20.2% for employers and 5.5% - 7.5% for employees.

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

ALPHA ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

26. Pension commitments (continued)

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	2.60	2.70
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.70	1.90

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	21.2	21.1
Females	23.6	23.5
<i>Retiring in 20 years</i>		
Males	22.1	22.2
Females	25.0	24.8

Sensitivity analysis

	2020 £	2019 £
Discount rate -0.5%	3,227,000	2,899,000
CPI rate +0.5%	2,750,000	2,365,000
Salary rate +0.5%	414,000	472,000

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

	2020 £	2019 £
Equities	8,879,000	7,855,000
Corporate bonds	2,873,000	2,541,000
Property	1,045,000	924,000
Cash	261,000	231,000
Total market value of assets	13,058,000	11,551,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. Pension commitments (continued)

The amounts recognised in the statement of financial activities are as follows:

	2020 £	2019 £
Current service cost	(1,990,000)	(1,329,000)
Past service cost	-	(107,000)
Interest income	231,000	280,000
Interest cost	(431,000)	(460,000)
Total amount recognised in the statement of financial activities	(2,190,000)	(1,616,000)

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

	2020 £	2019 £
At 1 September	21,595,000	14,095,000
Conversion of Academy Trusts	-	2,425,000
Current service cost	1,990,000	1,329,000
Interest cost	431,000	460,000
Employee contributions	248,000	217,000
Actuarial losses	460,000	3,090,000
Benefits paid	(140,000)	(128,000)
Past service costs	-	107,000
At 31 August	24,584,000	21,595,000

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

	2020 £	2019 £
At 1 September	11,551,000	8,619,000
Conversion of Academy Trusts	-	1,312,000
Interest income	231,000	280,000
Actuarial gains	143,000	409,000
Employer contributions	1,025,000	842,000
Employee contributions	248,000	217,000
Benefits paid	(140,000)	(128,000)
At 31 August	13,058,000	11,551,000

ALPHA ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

27. Operating lease commitments

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	1,365,391	1,233,084
Later than 1 year and not later than 5 years	3,421,857	3,620,473
Later than 5 years	5,279,882	5,935,082
	<u>10,067,130</u>	<u>10,788,639</u>

28. Members' liability

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

29. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2020 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Income related party transactions

All Saints Catholic Collegiate

The Trustees considered All Saints Catholic Collegiate was connected by virtue of M Yates employment, the Trust provided educational services to All Saints Catholic Collegiate totalling £2,118 (2019 - £Nil), there is no year end debtor (2019 - £Nil).

30. Post balance sheet events

Eaton Park Academy has joined Alpha Academies Trust on 1 September 2020. The assets and liabilities were transferred for £Nil consideration.