

Registration number: 08597784

Alsager Multi Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020



HALLIDAYS

MORE THAN JUST ACCOUNTANTS

Hallidays
Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD

Alsager Multi Academy Trust

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Alsager Multi Academy Trust

Reference and Administrative Details

Members	Mr Allan Richard Ward Mr David Black Mr Julian Timothy Brooks Mr Jonathan Masters Mrs Naomi Willoughby-Foster
Trustees	Mr Allan Richard Ward Mr Richard Middlebrook Mr Carl Mark Cooke Mr Peter Robin Cox Mr William James Clayton Mr Alistair Malcolm Jackson (resigned 14 February 2020) Mr James Rupert Lowery Mrs Theresa Eugena Shirley Jones Miss Sally-Anne Ward Mr Paul Scales
Senior Leadership Team	Mr Richard Middlebrook (Executive Headteacher and Accounting Officer) Mrs Andrea O'Neill (Head of School – Alsager School) Mrs Ellen Walton (Deputy Head – Alsager School – resigned 31 August 2020) Mrs Liane Young (Deputy Head – Alsager School) Mrs Susan Reissing (Director of Business and Finance – AMAT) Mrs Adele Snape (Assistant Head – Alsager School) Ms Lianne Jardine (Assistant Head – Alsager School – appointed 1 September 2019) Mr Robert Pearce (Assistant Head – Alsager School – appointed 1 September 2020) Mr Thomas Adam Cutts (Headteacher – Weston Village Primary School) Miss Charlotte Moss (SLT (EYFS) – Weston Village Primary School) Mrs Samantha Michelle Hornby (Assistant Head (KS1) – Weston Village Primary School) Mrs Terri Lawton (Assistant Head (KS2) – Weston Village Primary School) Mrs Audrey Machin (Business Manager – Weston Village Primary School)
Registered Office	Hassall Road Alsager Cheshire ST7 2HR
Company Registration Number	08597784
Auditors	Hallidays Riverside House Kings Reach Business Park Yew Street Stockport SK4 2HD
Bankers	Lloyds Bank PLC PO Box 1000 BX1 1LT
Solicitors	Browne Jacobson 3 Piccadilly Place Manchester M1 3BN

Alsager Multi Academy Trust

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates 2 academies for pupils aged 4 to 18 serving a catchment area in South Cheshire and Staffordshire. Weston Village Primary School joined the Trust in April 2018; Ofsted rated the school as Good in June 2014. Alsager School was rated as Outstanding by Ofsted in February 2016, is designated as a National Support School by The National College of Teaching and Leadership. The Executive Headteacher is a National Leader of Education (NLE) and several members of the Alsager School Senior Leadership Team are Specialist Leaders of Education (SLEs). Alsager School was appointed as joint-lead for the Cheshire and Wirral Maths Hub in September 2019.

Alsager School has a pupil capacity of 1575 and had a roll of 1452 in the school census in Summer 2020. Weston Village Primary School has a pupil capacity of 266 and had a roll of 250 in the school census in Summer 2020.

Alsager Highfields Community Primary School joined Alsager Multi Academy Trust on 1st September 2020.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Alsager Multi Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Alsager Multi Academy Trust.

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

Professional Indemnity Insurance is in place to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring on trust business.

Method of Recruitment and Appointment or Election of Trustees

Trustees are recruited by invitation, dependent on their expertise, experience and skills. Trustees may appoint other trustees as referenced in the Articles of Association (56: 58) and are appointed for a term of four years.

Policies and Procedures Adopted for the Induction and Training of Trustees

New trustees are inducted into the workings of the academy trust, including policies and procedures, together with an appropriate training schedule depending upon their existing area of expertise.

Alsager Multi Academy Trust

Trustees' Report (continued)

Organisational Structure

The trustees are responsible for:

- Setting general policy
- Adopting an annual plan and budget
- Monitoring the trust by the use of financial management information
- Making strategic decisions about the direction of the trust
- Making strategic decisions about capital expenditure
- Making senior appointments
- Approving the Annual Report and Statements.

The Executive Headteacher (EH) is the accounting officer. The day to day management of the trust is delegated to him and the Senior Leadership Teams (SLT) of each school. Alsager School's SLT consists of the EH, Head of School, Deputy Heads, Assistant Heads and Director of Business & Finance. Weston Village Primary School's SLT consists of the EH, Headteacher, Assistant Heads, 2 teachers, Director of Business & Finance and the School Business Manager. All these managers control the trust at an executive level implementing the policies laid down by the trustees and reporting back to them. As a group the SLTs are responsible for the authorisation of spending within agreed budgets and the appointment of staff – though appointment boards for posts in the SLTs always contain a trustee. Some spending control is devolved to members of the management team within agreed limits in accordance with the scheme of delegation.

Governing body sub committees meet on at least a termly basis and report to the local full governing bodies which ratifies their decisions. The local full governing bodies then report to the board of trustees. The trust has 2 sub committees (Audit and Standards) and they meet at least each term, as do the full board of trustees, with the first meeting in each academic year being the Annual General Meeting.

Roles and responsibilities of trustees and senior managers are clearly defined in the trust scheme of delegation.

Arrangements for setting pay and remuneration of key management personnel

The board of trustees annually agree the pay policy; the LGBs implement the policy. This policy states that all teachers pay will be set in line with the School Teachers Pay and Conditions Document (STPCD). The EH's, Deputys' and Assistant Heads' pay and remuneration are thus set in accordance with the STPCD and are also benchmarked against other schools in the Local Authority. The Director of Business & Finance's pay and remuneration is set in accordance with the academy trust's pay policy and is also benchmarked against other schools in the Local Authority.

Trade union facility time

The Trust did not employ any relevant union officials engaged in trade union facility time during the year ending 31 August 2020 and as such incurred no direct cost on this activity.

Related Parties and other Connected Charities and Organisations

Cheshire East	Leisure Centre and Joint Use Facility
Alsager School Trust (Parents in Partnership)	EH is a trustee along with Alsager School Governor, staff and parent representatives. Charity formed to provide additional educational benefits for the pupils of Alsager School.
Chimney House Teaching School Foundation	EH is a director. Alsager School is a strategic partner.
Everybody Sport and Recreation (ESAR)	EH is a trustee. ESAR is the charitable arm of Cheshire East Council which runs their Leisure facilities.

Alsager Multi Academy Trust

Trustees' Report (continued)

Alsager Community Trust	Group of schools in Alsager formed to provide increased opportunities and raise achievement for all young people aged 5-18 within the town of Alsager.
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Objectives and Activities

The main objectives of the trust during the year ending 31 August 2020 are summarised below:

- To explore the opportunities that come with academy sponsorship.
- To grow / expand the MAT in line with Alsager Multi Academy Trust's 'growth strategy'.
- To manage the major national changes at KS2, GCSE and A level in terms of new specifications and assessment criteria.
- To raise the standard of educational achievements of all pupils in the trust
- To ensure that every child aged 4-18 enjoys the same high quality education in terms of resourcing, teaching and learning.
- To improve the effectiveness of the trust and schools involved by keeping the curriculum and organisational structure under continual review.
- To comply with all appropriate statutory and curriculum requirements.
- To provide value for money for the funds expended.
- To conduct the trust business in accordance with the highest standards of integrity, probity and openness.
- To effectively manage major capital projects at both sites funded via the Condition Improvement Fund (CIF).
- To plan for financially challenging future years, in light of uncertainty over the levels of Government funding and the additional uncertainty over the impact of the Covid-19 pandemic and the associated costs and risks associated with it.
- To plan financially for other schools joining the MAT.

Objectives, Strategies and Activities

The trust's main strategy is to develop and maintain a culture of excellence and provide enriching opportunities for all the children aged 4-18 in both schools.

The trust is an organisation that provides opportunities for staff and students alike but always embraces the local community so as to ensure that the academy is at the centre.

The trust's approach to the strategy includes:

- Teaching and learning opportunities for all students to attain appropriate academic qualifications
- To give all pupils the best possible start to their educational experience.
- A programme of after school activities for all students.

Alsager Multi Academy Trust

Trustees' Report (continued)

- A career advisory service to help students access the best pathway post 16 and post 18, be that employment, apprenticeship or higher education.
- A wide range of enrichment opportunities.
- High quality professional learning opportunities for all trust employees.
- A process of continual monitoring and review of teaching and learning together with rigorous data analysis of individual pupil achievement.
- Develop and agreeing the MAT growth strategy.

Public Benefit

The trust's purpose is to advance, for public benefit, education as described in the principal activities above. The trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their duties.

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

Strategic Report

Achievements and Performance

The academy trust gained several notable achievements in the year ending 31 August 2020, notably:

- Being chosen as the Academy Sponsor for Alsager Highfields Community Primary School, the largest primary school in the area.
- Successfully completing the conversion of Alsager Highfields Community Primary School to AMAT, despite it being in the middle of a pandemic and school closures.
- Alsager School successfully completing its first year as the lead school for the Cheshire and Wirral Maths Hub and developing the teaching of mathematics across the region.
- Successfully completing the expansion at Alsager School, to increase the PAN by 150 over 5 years.
- Successfully supporting all children, families and staff in the face of a pandemic and school closures. This includes the provision of free school meals, devices and successfully moving to remote learning for all.
- Staff across the Trust are now very efficient when it comes to teaching remotely.
- Successful application and completion of Condition Improvement Fund projects at both Weston and Alsager totaling £960k.
- Successfully drawing in funding of £74k through school to school support deployments and system leadership.

Alsager Multi Academy Trust

Trustees' Report (continued)

Key Performance Indicators

Measure	2018	2019	2020*
% 4+ in GCSE English & Maths	82%	78%	N/A
% 5+ in GCSE English & Maths	65%	55%	N/A
% achieving EBACC GCSE	23%	26%	N/A
Attainment 8	52%	53.2%	N/A
Progress 8	0.26 (Above Average)	+0.23 (Above Average)	N/A
A Level grades A*-E	100%	98%	N/A
A Level grades A*-C	78%	70%	N/A
L3 VA score	+0.19	-0.04	N/A
Expected Standard	KS2 Reading 79% KS2 Writing 76% KS2 Maths 76%	KS2 Reading 64% KS2 Writing 72% KS2 Maths 72%	N/A
Above Expected Standard	KS2 Reading 18% KS2 Writing 21% KS2 Maths 3%	KS2 Reading 28% KS2 Writing 8% KS2 Maths 23%	N/A

*Due to the Covid-19 pandemic, examinations were cancelled in 2020.

Going Concern

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

Financial Review

Most of the trust income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA in the year ending 31 August 2020 and associated expenditure are shown as restricted funds in the Statement of Financial Activities. The trust also previously received other grants from the ESFA and other organisations, notably £960k from the ESFA for two successful Condition Improvement Fund application and £2.7m in capital funding from Cheshire East Council to fund the school expansion. In accordance with the Charities Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the restricted general fund and fixed asset fund. The restricted fixed asset fund balance is reduced by depreciation charges over the expected useful life of the assets concerned.

During the year ending 31 August 2020, total expenditure of £9,329,626 (which excludes depreciation of £990,978 and FRS17 service cost and interest of £303,000) was funded by recurrent grant income from the ESFA together with other incoming resources which totalled £9,466,580 (excluding capital grant funding). This is in line with the trust's strategy to build and maintain adequate reserves to fund an ambitious plan of future improvements and development of the organisation and its infrastructure.

Unrestricted income in the year ending 31 August 2020 amounted to £247,290. Unrestricted expenditure amounted to £172.

Alsager Multi Academy Trust

Trustees' Report (continued)

At 31 August 2020 the net book value of fixed assets amounted to £26,276,934. Movements in fixed assets are shown in note 13 to the financial statements. The cost of fixed asset additions in the year ending 31 August 2020 amounted to £1,208,508.

There has been a total in-year surplus of £79,521 comprised of restricted general funds (excluding pension reserve, fixed asset reserve) plus unrestricted funds.

The expansion of Alsager School will have a significant financial impact on fund balances going forward. This is due to the school being subject to lagged funding through the 5-year expansion period. The net detrimental effect of the lagged funding over the period 2019-20 to 2023-24 is likely to be in the region of £450,000.

Reserves Policy

The trustees review the level of reserves on an annual basis. The review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of the reserves. The trust's current level of free reserves (total reserves less the amounts held in the fixed asset reserve and restricted pension fund reserve) is £750,537. The amount is kept secure for the time when it is needed to self-finance a scheme of major capital projects.

It is the trustees' intention to adopt a prudent approach to reserves and aim to build a reserve of designated funds of at least 5% of annual income to safeguard against unforeseen circumstances, capital improvements or developments, late ESFA payments, emergencies and other catastrophes. This is sound commercial practice designed to safeguard the quality of education received within the trust.

In addition, the net liability due to the trust's participation in the Local Government Scheme (LGPS) amounts to £3,073,000. Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of academy closure, outstanding LGPS liabilities would be met by the Department for Education. This guarantee provides comfort to the trustees in the unlikely event of academy closure.

Investment Policy

Cash balances are safeguarded by investing them in an interest-bearing current account, a 32 day notice deposit account and a fixed term deposit account with a sound commercial bank (currently Lloyds Bank plc).

Principal Risks and Uncertainties

The principal risks to the trust are documented and managed using a risk management policy and a risk register which is regularly reviewed.

The main risks are seen as the continuing uncertainty of school funding levels, the loss of reputation through failing standards at the schools within the trust, falling student numbers, failure to safeguard our students, failure on high profile school to school support commissions and the financial impact of our reliance around use of the integrated leisure centre facilities.

Uncertainty caused by the Covid-19 pandemic created considerable additional risk to the organisation; schools closed their doors to most students in line with government advice from 23 March 2020. Both schools remained open to vulnerable students and children of key workers. The financial impact of Covid-19 continues to be uncertain but is monitored closely.

Key controls in place to mitigate these risks are:

- An organisational structure with clearly defined roles, responsibilities and authorisation levels.
- Documented terms of reference of the committees of the trust.

Alsager Multi Academy Trust

Trustees' Report (continued)

- Financial planning, budgeting and regular management reporting highlighting key areas of financial risk.
- External benchmarking
- Additional Trustee Audit Committee meetings
- Monthly reporting of accounts to Audit Committee
- Formal written and published policies for employees
- Vetting procedures as required by legislation for the protection of the vulnerable
- Robust due diligence procedures for new contracts and commissions, and
- Continual monitoring of sports facility costs.

The two main financial risks both relate to per pupil funding. Firstly, the trust resides in Cheshire East which is one of the lowest funded authorities; as such the trust's overall funding is considerably lower than almost all other local authorities. Notwithstanding the grant made available to those in the lowest funded authorities in the year ending 31 August 2020, pupil funding rates continue to be lower than some of our closest neighbours and therefore remains the trust's most significant risk. The Government's announcements regarding the implementation of the National Funding Formula continue to cause concern and uncertainty, the implementation has been delayed again meaning funding for 2020-21 will continue to be allocated to local authorities first, allowing them to set their own funding formula. Secondly, Alsager School has expanded its PAN to accommodate pupils moving into the area due to the high demand from ongoing local house building. 150 additional pupils will be educated at Alsager School over a 5-year period starting September 2019. Lagged funding means that the school is funding these students upfront from their depleting reserves.

The Local Government Pension Scheme deficit (£3,073,000 at 31 August 2020) remains a considerable risk. Pension contributions rates have become more affordable with the introduction of a MAT rate following the 2020 valuation. The rate from April 2020 was 21.9% (previously 32.9% for Weston Village Primary School and 30.5% for Alsager School).

The other main financial risks are mitigated through the employment of sound financial management and internal control processes. Balanced budgets are set by the trust and limited budgets are further delegated to departments and faculties. Actual performance against agreed budgets is closely monitored by the trust's finance team and via regular meetings of the finance committees of the local governing bodies.

Bank and cash reconciliations are carried out routinely and signed by the authorised officers of the trust's finance team. All orders and payments are signed off by the finance team with appropriate segregation of duties in place. Fixed asset registers are in place and there are processes in place for the acquisition and disposal of assets. Payroll is outsourced and checked by more than one individual each month. The appropriateness and integrity of internal controls is assessed and reported to the trustees by the Responsible Officer and external auditors.

The security of data is administered by an in-house team of IT professionals at Alsager School and by an outsourced contractor at Weston Village Primary School.

Remaining risks are mitigated to a large extent via membership of the ESFA's Risk Protection Arrangement (RPA).

Fundraising

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

Alsager Multi Academy Trust

Trustees' Report (continued)

Streamlined Energy and Carbon Reporting

As the trust does not meet the criteria it is not required to report on its emissions, energy consumption or energy efficiency activities.

Plans for Future Periods

The overall performance in this reporting period was extremely robust and as a consequence will directly reinforce the trust's medium to long term strategy. The trust's main annual objectives for the next year are:

- To conserve the health and safety of everyone across the trust as we continue to operate in the middle of a pandemic. To ensure that national and local guidance is followed in relation to Covid-19.
- To ensure that remote learning is as effective as possible for any children not able to be in school.
- To ensure the smooth transfer of Alsager Highfields Primary School into the trust and focus on rapid school improvement. The focus has to be to make sure Alsager Highfields is moved out of the 'inadequate' category as soon as possible.
- To strive for continuous improvement in examination results and all indicators of performance in the trust KS1-KS5.
- To increase numbers on roll at Alsager Highfields.
- To continue to manage the expansion at Alsager School (net capacity increase from 1377 to 1575 in September 2019 – rolled out over 5 years).
- To build, where possible, adequate financial reserves to help stabilise, as far as possible, the uncertainty of revenue funding before and once the National Funding Formula is established, fund building and other investment needs.
- To improve KS2 outcomes at both Weston Village Primary School and Alsager Highfields Primary School to ensure they are above national figures.
- To continue to deliver a more personalised, inclusive and varied post 16 provision to meet the needs of all young people.
- To further develop school to school support, be that through formal academy sponsorship, Teaching School commissions or system leadership work.
- To further expand Alsager Multi Academy Trust in line with the trust's growth strategy. The trust will also continue to explore the opportunities available through academy sponsorship
- To ensure that both Weston Village Primary School and Alsager Highfields Primary School are full immersed in AMAT and feel the benefit of joining the trust.

Excellent standards of behaviour will be maintained to create a well-ordered community with learning and the support of students at the heart. The trust's aim is to increase pupil numbers. The curriculum will be broad, balanced and relevant in all key stages allowing all students to achieve success.

Teaching and learning will have pace, purpose, variety and rigour. Students will be able to progress as a result of personalised programmes of study and the provision of online curriculum. Students will continue to be aware of their own strengths and weaknesses and, through assessment for learning, know what they need to do to improve.

Alsager Multi Academy Trust

Trustees' Report (continued)

Staff will be confident practitioners with appropriate professional development opportunities. Educational outcomes in all performance indicators will be well above national averages and the trust will be in the 'high performing' category within the communities which we serve. The strategic development of the trust will be effectively planned, monitored and supported by a well-equipped and committed board of trustees.

Funds Held as Custodian Trustee on Behalf of Others

Alsager Multi Academy Trust acts as a custodian trustee for Alsager Community Trust (ACT). The aim of ACT is to provide increased opportunities for all young people aged 5-18 within the town of Alsager and raise achievement across all 6 schools in the community trust.

The schools are –
Alsager School
Alsager Highfields Primary School
Cranberry Academy
Excalibur Primary School
Pikemere Primary School
St Gabriel's Primary School

Alsager Multi Academy Trust also holds funds on behalf of Alsager School Trust (known as Parents in Partnership) to provide additional educational benefits for the pupils of Alsager School.

Alsager School is one of the joint-lead schools for the Cheshire and Wirral Maths Hub and holds the funds for this organisation.

Auditor

In so far as the trustees are aware:

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

Reappointment of auditor

The auditors Hallidays are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 21 January 2021 and signed on the board's behalf by:



.....
Mr Allan Richard Ward (Chair)
Trustee



.....
Mr Richard Middlebrook (Executive Headteacher and Accounting Officer)
Trustee

Alsager Multi Academy Trust

Governance Statement

Scope of Responsibility

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

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 EH, Mr Richard Middlebrook, 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 Alsager Multi Academy Trust and the Secretary of State for Education. The EH is 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 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

AMAT Board of Trustees	Meetings attended	Out of a possible
Mr Allan Richard Ward	3	3
Mr Richard Middlebrook	3	3
Mrs Theresa Eugena Shirley Jones	2	3
Mr Carl Mark Cooke	3	3
Mr Peter Robin Cox	3	3
Mr William James Clayton	1	3
Mr Alistair Malcolm Jackson	1	1
Mr James Rupert Lowery	3	3
Miss Sally-Anne Ward	2	3
Mr Paul Scales	3	3

Governance Reviews

Leadership and Management was judged outstanding during Alsager School's last Ofsted visit with the quality of governance being stated as very strong. Having undertaken a review of governance within the trust last year, there has been considerable changes in its composition; this has brought new members, trustees and governors. The crossover between all three layers are now distinct but an important link remains to allow for a flow of information and continuity. The new structure is in line with DfE expectations.

Alsager Multi Academy Trust's Audit Committee purpose is to formally approve the consolidated budget, monitor budgets as well as audit arrangements and risk management. Attendance during the year at meetings was as follows:

AMAT Audit Committee	Meetings attended	Out of a possible
Mr Allan Richard Ward	3	3
Mr Richard Middlebrook	3	3
Mr James Rupert Lowery	2	3
Mr Alistair Malcolm Jackson	0	1
Mr William James Clayton	3	3

Alsager Multi Academy Trust

Governance Statement

Consolidated management accounts are provided to Trustees on a monthly basis to enable them to maintain oversight. The Audit Committee has decided to have supplementary audit meetings in between scheduled formal meetings to review actions and discuss any urgent matters; this means that the committee now meets 6 times per year in total.

The trust also has a Standards Committee which meets 3 times per year and which monitors standards across the trust.

Review of Value for Money

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

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

Improving Educational Outcomes

The trust has sophisticated processes in place to track pupil progress and as a result deploy intervention plans and support where needed. Both school's development plans are focused on staff supporting key groups, identifying any areas of under achievement and ensuring that suitable actions are taken. This is evidenced by:

- There were no national headline figures for 2019-20.

Areas to improve

The school's development plans have identified key areas to improve:

- Improve outcomes in all areas at Alsager Highfields Primary School.
- Improve KS2 outcomes in terms of expected standards at both Weston Village Primary School and Alsager Highfields Primary School.
- Improve outcomes and the Progress 8 score for Pupil Premium pupils at KS4.

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 Alsager Multi Academy Trust for the period 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 period 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.

Alsager Multi Academy Trust

Governance Statement (continued)

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the board of trustees have appointed Dains LLP (Chartered Accountants) to perform appropriate checks. Their role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period include:

- testing of payroll systems
- testing of purchase systems
- testing of accounting systems/bank reconciliations
- testing of fixed asset systems
- testing of school fund systems
- testing of income and Parent Pay systems

Dains LLP report to the board of trustees, through the audit committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities; this work would normally be undertaken on a termly basis but was paused for a term due to the Covid-19 pandemic. Dains LLP have delivered their revised schedule of work and have found only minor control issues which have been required to be addressed. An action plan is in place to cover these minor control issues.

Review of Effectiveness

As accounting officer, Mr Richard Middlebrook has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

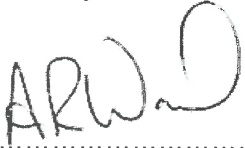
- the work of Dains LLP;
- the work of the external auditor;
- the financial management process and the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

Alsager Multi Academy Trust

Governance Statement (continued)

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance committees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 21 January 2021 and signed on its behalf by:



.....
Mr Allan Richard Ward (Chair)
Trustee



.....
Mr Richard Middlebrook (Executive Headteacher and Accounting Officer)
Trustee

Alsager Multi Academy Trust

Statement of Regularity, Propriety and Compliance

As accounting officer of Alsager Multi Academy 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.



.....
Mr Richard Middlebrook
Accounting Officer

Alsager Multi Academy Trust

Statement of Trustees' Responsibilities

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 & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

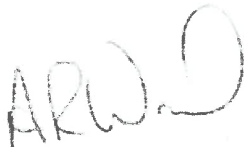
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of trustees on 21st January 2021 and signed on its behalf by:



Mr Allan Richard Ward (Chair)
Trustee

Alsager Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Alsager Multi Academy Trust

Opinion

We have audited the financial statements of Alsager Multi Academy Trust (the 'academy') for the year ended 31 August 2020, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Annual Accounts Direction 2019 to 20120 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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'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.

Other information (covers the Reference and Administrative Details, the trustees' Report and the Governance Statement)

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

Alsager Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Alsager Multi Academy Trust (continued)

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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' Report 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of trustees' Responsibilities [set out on page 16], the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Alsager Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Alsager Multi Academy Trust (continued)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the academy to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the academy audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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


.....

Anna Bennett (Senior Statutory Auditor)
For and on behalf of Hallidays, Statutory Auditor

Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD

Date: 26/01/21

Alsager Multi Academy Trust

Independent Reporting Accountant's Report on Regularity to Alsager Multi Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 26 May 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Annual Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Alsager Multi Academy Trust during the period 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 Alsager Multi Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Alsager Multi Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Alsager Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the board of trustees's funding agreement with the Secretary of State for Education dated 1 April 2018 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 Annual Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 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 Annual Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the trust are within the trust's framework of authorities.

Alsager Multi Academy Trust

Independent Reporting Accountant's Report on Regularity to Alsager Multi Academy Trust and the Education and Skills Funding Agency (continued)

- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the trust's delegated authorities and that the internal delegations have been approved by the Trust Board and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the governing body and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the trust's charitable objects.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 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.


.....

Reporting Accountant

Hallidays
Chartered Accountants
and
Registered Auditors

Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD

Date: 26/01/21

Alsager Multi Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2019/20 Total £
Income and endowments from:						
Donations and capital grants	2	9,492	38,034	-	850,703	898,229
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	9,131,809	-	-	9,131,809
Other trading activities	4	233,779	29,447	-	-	263,226
Investments	5	4,019	-	-	-	4,019
Total		247,290	9,199,290	-	850,703	10,297,283
Expenditure on:						
<i>Charitable activities:</i>						
Academy trust educational operations	7	172	9,329,454	303,000	990,978	10,623,604
Net income/(expenditure)		247,118	(130,164)	(303,000)	(140,275)	(326,321)
Transfers between funds		(233,800)	196,367	-	37,433	-
Other recognised gains and losses						
Actuarial (losses) / gains on defined benefit pension schemes	28	-	-	(353,000)	-	(353,000)
Net movement in funds/(deficit)		13,318	66,203	(656,000)	(102,842)	(679,321)
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2019		665,437	5,579	(2,417,000)	27,140,543	25,394,559
Total funds/(deficit) carried forward at 31 August 2020		678,755	71,782	(3,073,000)	27,037,701	24,715,238

Alsager Multi Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

Note	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2018/19 Total £	
Income and endowments from:						
Donations and capital grants	2	8,097	66,775	-	253,981	328,853
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	7,785,334	-	-	7,785,334
Other trading activities	4	251,407	41,924	-	-	293,331
Investments	5	6,618	-	-	-	6,618
Total		<u>266,122</u>	<u>7,894,033</u>	-	<u>253,981</u>	<u>8,414,136</u>
Expenditure on:						
<i>Charitable activities:</i>						
Academy trust educational operations	7	401	8,312,863	(172,000)	852,210	8,993,474
Net income/(expenditure)		265,721	(418,830)	172,000	(598,229)	(579,338)
Transfers between funds		(467,697)	403,651	-	64,046	-
Other recognised gains and losses						
Actuarial (losses) / gains on defined benefit pension schemes	28	-	-	(411,000)	-	(411,000)
Gains/losses on revaluation of fixed assets		-	-	-	(483,960)	(483,960)
Net movement in deficit		<u>(201,976)</u>	<u>(15,179)</u>	<u>(239,000)</u>	<u>(1,018,143)</u>	<u>(1,474,298)</u>
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2018		<u>867,413</u>	<u>20,758</u>	<u>(2,178,000)</u>	<u>28,158,686</u>	<u>26,868,857</u>
Total funds/(deficit) carried forward at 31 August 2019		<u>665,437</u>	<u>5,579</u>	<u>(2,417,000)</u>	<u>27,140,543</u>	<u>25,394,559</u>

Alsager Multi Academy Trust
(Registration number: 08597784)
Balance Sheet as at 31 August 2020

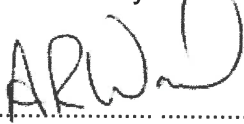
	Note	2020 £	2019 £
Fixed assets			
Intangible assets	12	-	1,000
Tangible assets	13	<u>26,276,934</u>	<u>26,058,404</u>
		<u>26,276,934</u>	<u>26,059,404</u>
Current assets			
Debtors	14	1,104,199	1,283,596
Cash at bank and in hand		<u>1,613,335</u>	<u>1,552,002</u>
		2,717,534	2,835,598
Creditors: Amounts falling due within one year	15	<u>(1,012,776)</u>	<u>(950,372)</u>
Net current assets		<u>1,704,758</u>	<u>1,885,226</u>
Total assets less current liabilities		27,981,692	27,944,630
Creditors: Amounts falling due after more than one year	16	<u>(193,454)</u>	<u>(133,071)</u>
Net assets excluding pension liability		27,788,238	27,811,559
Defined benefit pension scheme liability	28	<u>(3,073,000)</u>	<u>(2,417,000)</u>
Net assets including pension liability		<u>24,715,238</u>	<u>25,394,559</u>
Funds of the Academy Trust:			
Restricted funds			
Restricted general fund	17	71,782	5,579
Restricted fixed asset fund	17	27,037,701	27,140,543
Restricted pension fund	17	<u>(3,073,000)</u>	<u>(2,417,000)</u>
		24,036,483	24,729,122
Unrestricted funds			
Unrestricted general fund	17	<u>678,755</u>	<u>665,437</u>
Total funds		<u>24,715,238</u>	<u>25,394,559</u>

Alsager Multi Academy Trust

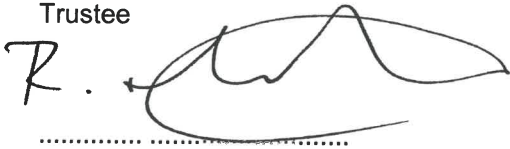
(Registration number: 08597784)

Balance Sheet as at 31 August 2020 (continued)

The financial statements on pages 22 to 55 were approved by the trustees, and authorised for issue on 21 January 2021 and signed on their behalf by:



.....
Mr Allan Richard Ward (Chair)
Trustee



.....
Mr Richard Middlebrook (Executive Headteacher and Accounting Officer)
Trustee

Alsager Multi Academy Trust

Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	21	345,216	1,889,052
Cash flows from investing activities	23	(344,266)	(2,299,587)
Cash flows from financing activities	22	<u>60,383</u>	<u>2,188</u>
Change in cash and cash equivalents in the year		61,333	(408,347)
Cash and cash equivalents at 1 September		<u>1,552,002</u>	<u>1,960,349</u>
Cash and cash equivalents at 31 August	24	<u><u>1,613,335</u></u>	<u><u>1,552,002</u></u>

Alsager Multi Academy Trust

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.

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Alsager Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a at least one year from the date of approval 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.

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 period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Alsager Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Transfer on conversion

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

Donated fixed assets

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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.

Alsager Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

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.

Intangible fixed assets

Intangible assets individually costing £500 & multiple items with a combined cost exceeding £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Asset class	Amortisation method and rate
Purchased computer software	20% straight line

Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Asset class	Depreciation method and rate
Buildings	2% & 5% straight line
Plant & Machinery	10% & 20% straight line
Fixtures & Fittings	10% & 20% straight line
Computer Equipment	33 1/3% & 20% straight line
Motor Vehicles	25% straight line
Leasehold Land	2% straight line

Alsager Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

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.

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.

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.

Leased assets

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

Taxation

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

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

Alsager Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Pension benefits

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

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

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

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

Fund accounting

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

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

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

Restricted pension funds comprise all income, costs and actuarial valuations associated with the Local Government pension scheme (LGPS).

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.

Alsager Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 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.

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Alsager Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2019/20 Total £	2018/19 Total £
Educational trips and visits	-	29,701	-	29,701	58,250
Capital grants	-	-	850,703	850,703	253,981
Private sponsorship	-	300	-	300	300
Other donations	9,492	8,033	-	17,525	16,322
	<u>9,492</u>	<u>38,034</u>	<u>850,703</u>	<u>898,229</u>	<u>328,853</u>

3 Funding for Academy's educational operations

	Restricted funds £	2019/20 Total £	2018/19 Total £
DfE/ESFA revenue grants			
General Annual Grant (GAG)	7,458,249	7,458,249	7,187,610
Other DfE/ESFA grants	1,351,528	1,351,528	412,570
Start up Grant	90,000	90,000	-
	<u>8,899,777</u>	<u>8,899,777</u>	<u>7,600,180</u>
Other government grants			
Local Authority Grants	210,763	210,763	184,016
Coronavirus Job Retention Scheme Grant	7,946	7,946	-
Coronavirus exceptional support	12,323	12,323	-
	<u>231,032</u>	<u>231,032</u>	<u>184,016</u>
Non-government grants and other income			
Other non-government grant	1,000	1,000	1,138
Total grants	<u>9,131,809</u>	<u>9,131,809</u>	<u>7,785,334</u>

Alsager Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

3 Funding for Academy's educational operations (continued)

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 Coronavirus Job Retention Scheme Funding.

- The academy furloughed some of its before & after school club staff under the government's CJRS. The funding received of £7,946 relates to staff costs in respect of 9 staff which are included within note 8 below.

- The funding received for coronavirus exceptional support covers £12,323 of additional costs in respect of FSM, cleaning and premises. These costs are included in notes 6 and 7 below as appropriate

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2019/20 Total £	2018/19 Total £
Catering income	50,506	-	50,506	65,628
Other sales	9,520	-	9,520	960
Misc income	147,525	-	147,525	132,734
Insurance income	2,484	-	2,484	1,688
Lettings income	2,738	-	2,738	15,409
Absence Protection Reimbursement	5,604	-	5,604	2,898
Placement income	13,255	-	13,255	25,595
Training income	1,975	-	1,975	6,495
Music Income	-	14,250	14,250	24,876
Exam fees income	-	197	197	2,048
Out of School Club Reimbursement of Purchases	172	-	172	-
Apprentice Levy Allowance	-	14,880	14,880	14,843
OSC Apprentice Levy Allowance	-	120	120	157
	<u>233,779</u>	<u>29,447</u>	<u>263,226</u>	<u>293,331</u>

5 Investment income

	Unrestricted funds £	2019/20 Total £	2018/19 Total £
Interest Received	<u>4,019</u>	<u>4,019</u>	<u>6,618</u>

Alsager Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

6 Resources expended

	Non Pay Expenditure			2019/20	2018/19
	Staff costs £	Premises £	Other costs £	Total £	Total £
Academy's educational operations					
Direct costs	6,605,208	860,885	1,130,990	8,597,083	7,388,933
Allocated support costs	<u>1,074,997</u>	<u>622,439</u>	<u>329,085</u>	<u>2,026,521</u>	<u>1,604,541</u>
	<u><u>7,680,205</u></u>	<u><u>1,483,324</u></u>	<u><u>1,460,075</u></u>	<u><u>10,623,604</u></u>	<u><u>8,993,474</u></u>

Net income/(expenditure) for the year includes:

	2019/20 £	2018/19 £
Operating leases - other leases	17,291	20,812
Amortisation of intangible fixed assets	1,000	1,000
Fees payable to auditor - audit	8,850	8,750
- other audit services	5,400	5,250
Profit/(loss) on disposal of tangible fixed assets	9,520	1,199
Depreciation	<u><u>989,978</u></u>	<u><u>851,209</u></u>

7 Charitable activities

	Total 2020 £	Total 2019 £
Direct costs - educational operations	8,597,083	7,388,933
Support costs - educational operations	<u>2,026,521</u>	<u>1,604,541</u>
	<u><u>10,623,604</u></u>	<u><u>8,993,474</u></u>

Direct costs have increased significantly over the prior year due to the increase in employers TPS contributions from 16.48% to 23.68% effective from 1 September 19 and Maths Hubs expenditure new for this financial year.

Alsager Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

7 Charitable activities (continued)

	Educational operations £	2019/20 Total £	2018/19 Total £
Analysis of support costs			
Support staff costs	1,074,997	1,074,997	728,164
Depreciation	129,093	129,093	116,136
Technology costs	14,981	14,981	9,650
Premises costs	493,346	493,346	438,548
Legal costs - other	5,248	5,248	-
Other support costs	293,956	293,956	296,172
Governance costs	14,900	14,900	15,871
Total support costs	<u>2,026,521</u>	<u>2,026,521</u>	<u>1,604,541</u>

8 Staff

Staff costs

	2019/20 £	2018/19 £
Staff costs during the year were:		
Wages and salaries	5,534,310	5,356,427
Social security costs	517,507	496,575
Pension costs	<u>1,557,610</u>	<u>783,251</u>
	7,609,427	6,636,253
Agency staff costs	70,778	113,179
Staff restructuring costs	<u>-</u>	<u>9,764</u>
	<u>7,680,205</u>	<u>6,759,196</u>

Staff numbers

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

	2019/20 No	2018/19 No
Teachers	103	104
Administration and support	92	86
Management	<u>10</u>	<u>10</u>
	<u>205</u>	<u>200</u>

Alsager Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

8 Staff (continued)

The headcount for administration and support staffing increased from 86 in 2018-19 to 92 in 2019-20. The additional staffing were teaching assistants, an attendance assistant and a cleaner. Two of the additional staff were apprentices.

Higher paid staff

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

	2020 No	2019 No
£60,001 - £70,000	3	3
£70,001 - £80,000	1	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
	1	-

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 £868,205 (2019: £703,553).

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2019: £9,764). Individually, the payments were:

Non-statutory payments £Nil

Non-statutory payments £Nil

Staff restructuring costs comprise:

Redundancy payments	4,815
Severance payments	4,949
	9,764

Alsager Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

9 Central services

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

- Governance
- HR/Payroll
- Finance
- Leadership Support
- Procurement Management

The academy trust charges for these services on the following basis:

- 2% of AWPU (Age Weighted Pupil Units)

The actual amounts charged during the year were as follows:

	2020
	£
Alsager School	102,709
Weston Village Primary School	14,418
	<hr/>
	117,127
	<hr/>

10 Related Party Transactions -Trustees' Remuneration and Expenses

One or more trustees has been paid remuneration or has received other benefits from 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:

Mr Richard Middlebrook (Executive Headteacher and Accounting Officer) (Executive Headteacher):

Remuneration: £110,000 - £115,000 (2019 - £105,000 - £110,000)

Employer's pension contributions: £25,000 - £30,000 (2019 - £15,000 - £20,000)

During the year ended 31 August 2020, travel and subsistence expenses totalling £236 (2019 - £710) were reimbursed or paid directly to 1 trustees (2019 - 1).

Other related party transactions involving the trustees are set out in note 29.

11 Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2020 is included in the total insurance cost.

Alsager Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

12 Intangible fixed assets

	Licences and software £	Total £
Cost		
At 1 September 2019	5,000	5,000
At 31 August 2020	5,000	5,000
Amortisation		
At 1 September 2019	4,000	4,000
Charge for the year	1,000	1,000
At 31 August 2020	5,000	5,000
Net book value		
At 31 August 2020	-	-
At 31 August 2019	1,000	1,000

13 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Furniture and equipment £	Computer hardware £	Plant and machinery £	Total £
Cost						
At 1 September 2019	24,396,896	2,678,115	2,138,863	832,429	34,606	30,080,909
Additions	723,475	165,556	29,001	85,535	204,941	1,208,508
Disposals	-	-	-	(14,220)	-	(14,220)
At 31 August 2020	25,120,371	2,843,671	2,167,864	903,744	239,547	31,275,197
Depreciation						
At 1 September 2019	2,417,752	61,483	875,148	648,615	19,507	4,022,505
Charge for the year	581,286	56,285	238,320	107,380	6,707	989,978
Eliminated on disposals	-	-	-	(14,220)	-	(14,220)
At 31 August 2020	2,999,038	117,768	1,113,468	741,775	26,214	4,998,263

Alsager Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

13 Tangible fixed assets (continued)

	Freehold land and buildings £	Leasehold land and buildings £	Furniture and equipment £	Computer hardware £	Plant and machinery £	Total £
Net book value						
At 31 August 2020	<u>22,121,333</u>	<u>2,725,903</u>	<u>1,054,396</u>	<u>161,969</u>	<u>213,333</u>	<u>26,276,934</u>
At 31 August 2019	<u>21,979,144</u>	<u>2,616,632</u>	<u>1,263,715</u>	<u>183,814</u>	<u>15,099</u>	<u>26,058,404</u>

14 Debtors

	2020 £	2019 £
Trade debtors	11,048	430,623
Prepayments	67,181	49,912
Accrued grant and other income	962,785	771,609
VAT recoverable	<u>63,185</u>	<u>31,452</u>
	<u>1,104,199</u>	<u>1,283,596</u>

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	285,131	477,481
Other taxation and social security	127,310	127,733
Other creditors	106,114	105,453
Salix Loan	24,117	17,588
Pension scheme creditor	139,947	122,833
Accruals	146,085	56,158
Deferred income	<u>184,072</u>	<u>43,126</u>
	<u>1,012,776</u>	<u>950,372</u>
	2020 £	2019 £
Deferred income		
Deferred income at 1 September 2019	16,023	39,776
Resources deferred in the period	184,072	43,126
Amounts released from previous periods	<u>(16,023)</u>	<u>(39,776)</u>
Deferred income at 31 August 2020	<u>184,072</u>	<u>43,126</u>

Alsager Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

15 Creditors: amounts falling due within one year (continued)

At the balance sheet date the academy trust was holding funds received in advance for Maths Hub received from the DfE & UIFSM in respect of the year ended 31st March 2021.

16 Creditors: amounts falling due after one year

	2020 £	2019 £
Other creditors	<u>193,454</u>	<u>133,071</u>

At the balance sheet date, the academy had received a total of £242,911 in Salix Funding relating to capital projects (2019: £163,471). £189,431 of this was funding was an interest free loan approved by the Education and Skills Funding Agency (ESFA) repayable in equal instalments over eight years.

The remaining loan balances of £15,000 and £38,480 attract CIF loan interest at rates of 2.29% and 2.22% respectively and are repayable over ten years. Repayments falling due within one year are included in note 14 above.

17 Funds

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	11,749	7,458,249	(7,594,583)	196,367	71,782
Other DfE/EFA grants	-	1,453,851	(1,453,851)	-	-
Other restricted income	<u>(6,170)</u>	<u>287,190</u>	<u>(281,020)</u>	-	-
	<u>5,579</u>	<u>9,199,290</u>	<u>(9,329,454)</u>	<u>196,367</u>	<u>71,782</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	4,381,163	850,703	(227,363)	37,433	5,041,936
Assets transferred on conversion	19,760,505	-	(662,998)	-	19,097,507
Private donations	41,520	-	(1,393)	-	40,127
Capital expenditure from GAG	226,488	-	(7,599)	-	218,889
Private grant	30,867	-	(1,036)	-	29,831
Other government grants	<u>2,700,000</u>	-	<u>(90,589)</u>	-	<u>2,609,411</u>
	27,140,543	850,703	(990,978)	37,433	27,037,701
Restricted pension funds					
Restricted pension funds	<u>(2,417,000)</u>	-	<u>(303,000)</u>	<u>(353,000)</u>	<u>(3,073,000)</u>
Total restricted funds	24,729,122	10,049,993	(10,623,432)	(119,200)	24,036,483

Alsager Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

17 Funds (continued)

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
Unrestricted funds					
Unrestricted general funds	665,437	247,290	(172)	(233,800)	678,755
Total funds	<u>25,394,559</u>	<u>10,297,283</u>	<u>(10,623,604)</u>	<u>(353,000)</u>	<u>24,715,238</u>

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

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	20,759	7,187,610	(7,600,271)	403,651	11,749
Other DfE/EFA grants	-	412,570	(412,570)	-	-
Other restricted income	(1)	293,853	(300,022)	-	(6,170)
	<u>20,758</u>	<u>7,894,033</u>	<u>(8,312,863)</u>	<u>403,651</u>	<u>5,579</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	4,332,686	252,148	(203,671)	-	4,381,163
Assets transferred on conversion	20,755,532	-	(511,067)	(483,960)	19,760,505
Private donations	47,745	1,833	(8,058)	-	41,520
Capital expenditure from GAG	287,587	-	(125,145)	64,046	226,488
Private grant	34,867	-	(4,000)	-	30,867
Other government grants	<u>2,700,269</u>	<u>-</u>	<u>(269)</u>	<u>-</u>	<u>2,700,000</u>
	28,158,686	253,981	(852,210)	(419,914)	27,140,543
Restricted pension funds					
Restricted pension funds	<u>(2,178,000)</u>	<u>-</u>	<u>172,000</u>	<u>(411,000)</u>	<u>(2,417,000)</u>
Total restricted funds	26,001,444	8,148,014	(8,993,073)	(427,263)	24,729,122
Unrestricted funds					
Unrestricted general funds	<u>867,413</u>	<u>266,122</u>	<u>(401)</u>	<u>(467,697)</u>	<u>665,437</u>
Total funds	<u>26,868,857</u>	<u>8,414,136</u>	<u>(8,993,474)</u>	<u>(894,960)</u>	<u>25,394,559</u>

Alsager Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

17 Funds (continued)

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

General Annual Grant must be used for the normal running expenses of an Academy and any amounts carried forward at the end of the financial year must be in accordance with the terms of the Funding Agreement.

Other DfE/ESFA grants comprise additional funding received for the furtherance of education, which must be used in accordance with the specific terms of each grant.

Other government grants include LA funding for Special Education Needs and growth funding.

Other restricted funds include contributions received for educational visits, donations and the related expenditure.

The pension reserve represents the value of the Academy's share of the deficit in the Local Government Pension Scheme. The deficit at 1 September 19 was £2,417,000 and had risen to £3,073,000 at 31 August 2020.

Restricted fixed assets funds are those funds relating to the long term assets of the Academy used in delivering the objects of the Academy.

Unrestricted funds are funds which the Trustees may use in the pursuance of the Academy's objectives and are expendable at the discretion of the Trustees.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Alsager School	526,086	554,017
Weston Village Primary School	142,837	111,420
Central services	81,614	5,579
Total before fixed assets and pension reserve	750,537	671,016
DfE/ESFA capital grants	27,037,701	27,140,543
Restricted pension funds	(3,073,000)	(2,417,000)
Total	<u>24,715,238</u>	<u>25,394,559</u>

Total cost analysis by academy

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

Alsager Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

17 Funds (continued)

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2020 £
Alsager School	5,804,788	623,600	979,380	749,583	8,157,351
Weston Village Primary School	769,038	152,160	98,542	138,568	1,158,308
Central services	31,384	44,236	-	55,472	131,092
Academy Trust	<u>6,605,210</u>	<u>819,996</u>	<u>1,077,922</u>	<u>943,623</u>	<u>9,446,751</u>
				Total	
					2019
					£
Alsager School					7,164,773
Weston Village Primary School					1,154,197
Central services					107,248
Academy Trust					<u>8,426,218</u>

Alsager Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

18 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	26,276,934	26,276,934
Current assets	678,755	1,278,014	760,767	2,717,536
Current liabilities	-	(1,012,778)	-	(1,012,778)
Creditors over 1 year	-	(193,454)	-	(193,454)
Pension scheme liability	-	(3,073,000)	-	(3,073,000)
Total net assets	678,755	(3,001,218)	27,037,701	24,715,238

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

Alsager Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

18 Analysis of net assets between funds (continued)

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Intangible fixed assets	-	-	1,000	1,000
Tangible fixed assets	-	-	26,058,404	26,058,404
Current assets	665,437	1,089,021	1,081,139	2,835,597
Current liabilities	-	(952,763)	-	(952,763)
Creditors over 1 year	-	(130,679)	-	(130,679)
Pension scheme liability	-	(2,417,000)	-	(2,417,000)
Total net assets	665,437	(2,411,421)	27,140,543	25,394,559

19 Capital commitments

Contracted for, but not provided in the financial statements

2020 £	2019 £
(712,026)	(1,103,738)

Alsager Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

20 Commitments under operating leases

Operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020	2019
	£	£
Amounts due within one year	36,845	18,489
Amounts due between one and five years	30,044	3,398
	<u>66,889</u>	<u>21,887</u>

Alsager Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

21 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2019/20	2018/19
	£	£
Net expenditure for the reporting period (as per the statement of financial activities)	(326,321)	(579,338)
Amortisation	1,000	1,000
Depreciation	989,978	851,209
Profit on disposal of tangible fixed assets	(9,520)	(1,199)
Capital grants from DfE/ESFA and other capital income	(850,703)	(253,981)
Interest receivable	(4,019)	(6,618)
Defined benefit pension scheme cost less contributions payable	255,000	(229,000)
Defined benefit pension scheme finance cost	48,000	57,000
Decrease in debtors	179,397	1,920,706
Increase in creditors	62,404	129,273
Net cash provided by Operating Activities	345,216	1,889,052

22 Cash flows from financing activities

	2019/20	2018/19
	£	£
Cash inflows from new borrowing	79,960	15,000
Repayments of borrowing	(19,577)	(12,812)
Net cash provided by financing activities	60,383	2,188

Alsager Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

23 Cash flows from investing activities

Dividends, interest and rents from investments
 Purchase of tangible fixed assets
 Proceeds from sale of tangible fixed assets
 Capital funding received from sponsors and others
 Net cash used in investing activities

	2019/20	2018/19
	£	£
	4,019	6,618
	(1,208,508)	(2,561,386)
	9,520	1,200
	850,703	253,981
	<u>(344,266)</u>	<u>(2,299,587)</u>

24 Analysis of cash and cash equivalents

Cash at bank and in hand
 Total cash and cash equivalents

	2020	2019
	£	£
	1,613,335	1,552,002
	<u>1,613,335</u>	<u>1,552,002</u>

Alsager Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

25 Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	Other non-cash changes £	At 31 August 2020 £
Cash	1,552,002	61,333	-	1,613,335
Loans falling due within one year	(17,583)	-	(6,534)	(24,117)
Loans falling due after more than one year	<u>(133,071)</u>	<u>(60,383)</u>	<u>-</u>	<u>(193,454)</u>
	<u>(150,654)</u>	<u>(60,383)</u>	<u>(6,534)</u>	<u>(217,571)</u>
Total	<u><u>1,401,348</u></u>	<u><u>950</u></u>	<u><u>(6,534)</u></u>	<u><u>1,395,764</u></u>

Alsager Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

26 Contingent liabilities

During the life of the funding agreement, in the event of the sale or disposal by other means of any asset for which a government capital grant was received, the academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the funding agreement, whether as a result of the Secretary of State or the academy serving notice, the academy shall repay to the Secretary of State sums determined by reference to:-

- a) the value at that time of the academy's site and premises and other assets held for the purpose of the academy and
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the funding agreement.

27 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.

28 Pension and similar obligations

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

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

Contributions amounting to £(139,947) (2019 - £(122,833)) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

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

The TPS is an unfunded scheme to which both 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.

Alsager Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

28 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- 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 period amounted to £939,689 (2019: £640,104).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £444,000 (2019 - £783,000), of which employer's contributions totalled £360,000 (2019 - £705,000) and employees' contributions totalled £84,000 (2019 - £78,000). The agreed contribution rates for future years are 21.9% for employers and banded from 5.5% to 12.5% for employees.

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

Alsager Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

28 Pension and similar obligations (continued)

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	3.00	2.60
Rate of increase for pensions in payment/inflation	2.30	2.30
Discount rate for scheme liabilities	1.70	1.90

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

	2020	2019
Retiring today		
Males retiring today	21.20	21.20
Females retiring today	23.60	23.50
Retiring in 20 years		
Males retiring in 20 years	21.90	22.20
Females retiring in 20 years	25.00	25.00

Sensitivity analysis

	2020 £	2019 £
Discount rate -0.5%	861,000.00	698,000.00
Mortality assumption – 1 year increase	132,000.00	181,000.00
CPI rate +0.5%	713,000.00	499,000.00

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

	2020 £	2019 £
Equities	1,977,750	2,282,120
Government bonds	1,801,950	1,199,080
Property	439,500	348,120
Cash and other liquid assets	175,800	38,680
Total market value of assets	4,395,000	3,868,000

The actual return on scheme assets was £146,000 (2019 - £251,000).

Alsager Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

28 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2019/20 £	2018/19 £
Current service cost	(255,000)	229,000
Interest income	77,000	91,000
Interest cost	<u>(125,000)</u>	<u>(148,000)</u>
Total amount recognized in the SOFA	<u>(303,000)</u>	<u>172,000</u>

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

	2019/20 £	2018/19 £
At start of period	6,285,000	5,056,000
Conversion of academy trusts	417,000	-
Current service cost	643,000	476,000
Interest cost	127,000	148,000
Employee contributions	84,000	78,000
Actuarial (gain)/loss	358,000	571,000
Benefits paid	<u>(58,000)</u>	<u>(44,000)</u>
At 31 August	<u>7,856,000</u>	<u>6,285,000</u>

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

	2019/20 £	2018/19 £
At start of period	3,868,000	2,878,000
Interest income	74,000	91,000
Actuarial gain/(loss)	69,000	160,000
Employer contributions	360,000	705,000
Employee contributions	84,000	78,000
Benefits paid	<u>(58,000)</u>	<u>(44,000)</u>
At 31 August	<u>4,397,000</u>	<u>3,868,000</u>

The 2018/19 employer contributions above included £335,000 in respect of a pension strain cost which was funded directly by the trusts insurers.

29 Related party transactions

The charity is controlled by the trustees who are all directors of the company. Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

Alsager Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

29 Related party transactions (continued)

Expenditure related party transactions

Everybody Sport & Recreation

(A health and wellbeing charity based in Cheshire East that provides the trust with the use of its facilities for a fee. Richard Middlebrook, Senior Executive Headteacher and Accounting Officer, is a director of the company.)

During the year, Everybody Sports & Recreation paid the trust £2,738 for the hire of the outdoor pitches (2019: £15,351).

Income related party transactions

Everybody Sport & Recreation

(A health and wellbeing charity based in Cheshire East that provides the trust with the use of its facilities for a fee. Richard Middlebrook, Senior Executive Headteacher and Accounting Officer, is a director of the company.)

During the year, Everybody Sports & Recreation paid the trust £2,738 for the hire of the outdoor pitches (2019: £15,351).

30 Events after the end of the reporting period

On 1st September 2020 the entire operations, assets and liabilities of Alsager Highfields Community Primary School were transferred at nil consideration to Alsager Multi Academy Trust.

