

Alumnis Multi-Academy Trust

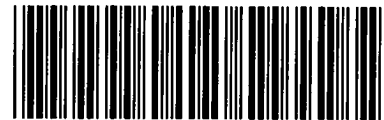
(A company limited by guarantee)

Annual Report and Financial Statements

period from 11 June 2018 to 31 August 2019

Company Registration number: 11409631 (England and Wales)

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Alumnis Multi-Academy Trust

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Alumnis Multi-Academy Trust

Reference and Administrative Details

Members	M Callaghan (appointed 11 June 2018) B Duhig, representing Edukid (appointed 11 June 2018) J Fairhurst (appointed 11 June 2018) G Golder, representing University of St Mark and St John (appointed 11 June 2018) D Oldaker, representing Exeter Diocesan Education Network (EDEN) (appointed 11 June 2018)
Trustees (Directors)	K Bond (appointed 11 June 2018 and resigned 10 May 2019) T Bridger (appointed 28 November 2018) N Burge (appointed 25 September 2019) M Callaghan (appointed 11 June 2018) M Greenhalgh (appointed 28 November 2018) T Hodge (appointed 11 June 2018 and resigned 2 October 2018) I John (appointed 11 June 2018) G Marlow (appointed 11 June 2018) G Matthews (appointed 11 June 2018) M Pearson (appointed 11 June 2018 and resigned 15 October 2019) J Rudman (appointed 11 June 2018 and resigned 28 October 2018) M Winter (appointed 11 June 2018)
Chief Executive Officer	Z Batten
Senior Management Team	R Colpus-Fricker, Chief Financial Officer
Principal and Registered Office	St Helens C of E School Abbotsham Bideford Devon EX39 5AP
Company Registration Number	11409631
Independent Auditors	PKF Francis Clark Chartered Accountants and Statutory Auditor Sigma House Oak View Close Edginswell Park Torquay TQ2 7FF

Alumnis Multi-Academy Trust

Reference and Administrative Details (continued)

Bankers	Lloyds Bank Plc 5 High Street Bideford Devon EX38 2AD
Solicitors	Anthony Collins LLP 134 Edmund Street Birmingham B3 2ES

Alumnis Multi-Academy Trust

Directors' Report for the period from 11 June 2018 to 31 August 2019

The Directors present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2019. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

At the date of signing this report, the Alumnis Multi Academy Trust now operates seven primary academies across North and Mid Devon. Its academies have a combined pupil capacity of 910 and had a roll of 726 in the school census on 16 May 2019.

On 1st October 2018 six schools converted to academy status. These schools were:

Bampton Church of England School
Combe Martin Primary School
Dolton Church of England School
St. Helen's Church of England School
The Clinton Church of England School
Woolacombe Church of England School

Discussion on Conversion to Academy Trust

On 1 October 2018 the above mentioned six schools converted to academy trust status under the Academies Act 2010 and all the operations assets and liabilities were transferred to Alumnis Multi-Academy Trust from the Devon County Council Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of Financial Activities as voluntary income.

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 company was incorporated on 11 June 2018. The Directors of Alumnis Multi-Academy Trust are also the directors of the charitable company for the purposes of company law.

Details of the Directors who served during the year 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 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.

Directors' Indemnities

The Academy Trust through its Articles has indemnified its Directors to the fullest extent permissible by law. During the period the Academy Trust also purchased and maintained liability insurance for its Directors through Zurich Municipal PLC.

Alumnis Multi-Academy Trust

Directors' Report for the period from 11 June 2018 to 31 August 2019 (continued)

Method of recruitment and appointment or election of Directors

Subject to Articles 48 and 49 of The Articles of Association, the Academy Trust shall have the following Directors:

No fewer than 5 Directors, appointed under Article 50:

Exeter Diocesan Education Network shall appoint a minimum of 5 Directors. In making such appointments Exeter Diocesan Education Network shall have regard to any comments and suggestions from the Directors and other Members in relation to potential appointees and suggestions from the Directors and other Members in relation to potential appointees and shall also have regard to the need to ensure an appropriate range of skills and experience on the Board at all times.

Chief Executive Officer

Under Article 57, provided that the Chief Executive Officer agrees so to act, the Members may by ordinary resolution appoint the Chief Executive Officer as a Director

Co-opted Directors

Under Article 58, the Directors appointed under Article 50 with the consent of the Diocesan Board of Education may appoint up to 2 Co-opted Directors for such term (not exceeding four years) and otherwise upon such conditions as they shall think fit. A 'Co-opted Director' means a person who is appointed to be a Director by being Co-opted by Directors who have not themselves been so appointed. The Directors may not co-opt an employee of the Company as a Co-opted Director if thereby the number of Directors who are employees of the Company would exceed one third of the total number of Directors including the Chief Executive Officer.

To date, recruitment has been achieved by seeking to fill skills gaps on the Board from previously maintained schools local Governing Bodies and previous connections with the schools.

The composition of the Board is as follows:

Kelvyn Bond (resigned 10/05/2019)	Foundation
Tim Bridger (appointed 28/11/2018)	Foundation
Nicole Burge (appointed 25/09/2019)	Foundation
Martin Callaghan	Initial Director - Co-Opted
Matthew Greenhalgh (appointed 28/11/2018)	Foundation
Theresa Hodge (resigned 02/10/2018)	Foundation
Ian John	Foundation
Gill Marlow	Foundation
Gary Matthews	Initial Director - Co-Opted
Mary Pearson (resigned 15/10/2019)	Foundation
Jackie Rudman (resigned 28/10/2018)	Foundation
Martin Winter	Initial Director - Co-Opted

Alumnis Multi-Academy Trust

Directors' Report for the period from 11 June 2018 to 31 August 2019 (continued)

Policies and procedures adopted for the induction and training of Directors

Directors are inducted into their role. They receive training on their statutory responsibilities as outlined in the ESFA Academies Financial Handbook, Charities commission guide - "The Essential Trustee", Memorandum and Articles of the Company and the Nolan Principles; all of which are included within the Alumnis Governance Guidebook, which is provided to personnel at all levels of governance within the Trust.

Directors and Local Committee Members have access to general training and support provided by Babcock Learning & Development Partnership Governor Support, the Diocesan Board of Education, the Devon Association of Governors and, more recently, online training accessed via the National Governance Association 'Learning Link'. Details of courses and events are circulated to all Directors by the Clerk to the Trust and Directors are encouraged to attend. Relevant newsletters, publications and guidance are circulated by the Clerk to the Trust to keep the Directors informed of statutory requirements and changes in legislation.

Organisational Structure

The Board of Directors delegates to the Chief Executive Officer, the Trust Business Manager and Headteachers the day to day running of their schools. Their activities and decisions are monitored by the Board of Directors, their Committees, portfolios, and their Local Schools Committees.

From 1 October 2018 to 31 August 2019, the Board of Directors of Alumnis MAT delegated the governance of their local schools to the Local Schools Committees, with the exception of the following powers:

- Financial monitoring and governance, including pay and performance of Trust staff;
- Agreeing admission arrangements;
- The appointment of the Chief Executive Officer, the Executive Headteachers and Headteachers;
- The approval of Trust policies; and
- Setting the level of delegation to Local School Committees and/or Directors' Committees

The Scheme of Delegation and Terms of Reference are available on request from the Clerk to the Trust.

From 1 October 2018 to present, each school has their own Local Schools Committee with agreed terms of reference, as well as agreed delegation for the leadership & management of the school.

Between 1 October 2018 and 31 August 2019 the Directors had the committees described previously, each with agreed delegated powers to conduct the main business elements of the Trust. The terms of reference are available from the Clerk to the Trust.

The Trust has a Finance Policy and Procedures Manual detailing the arrangements for the delegation of financial powers to Trust staff.

Alumnis Multi-Academy Trust

Directors' Report for the period from 11 June 2018 to 31 August 2019 (continued)

Arrangements for setting pay and remuneration of key management personnel

At Alumnis, the key management personnel are considered to be the Chief Executive Officer, the Trust Business Manager, the Headteachers of all Alumnis schools and the Directors.

The Board of Directors follows the guidance detailed within the School Teachers' Pay and Conditions Document for setting the pay and remuneration of the CEO and Headteachers within Alumnis Multi Academy Trust, which directly corresponds to the size of the schools and Trust. The Board of Directors resolved to adopt the nationally agreed pay scales for teachers, and the NJC pay scale and associated job evaluated pay grades for support staff. This scheme was used to determine the pay and remuneration of the Trust Business Manager.

Trade union facility time

Under the provision of the Trade Union (Facility Time Publication Requirement) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any seven months within the reporting period (which is the case for Alumnis Multi Academy Trust) it must include information included in Schedule 2 of the regulations.

No Alumnis Multi Academy Trust employees were relevant union officials from 11th June 2018 to 31 March 2019.

Related Parties and other Connected Charities and Organisations

The Board of Directors is aware of one related party transaction in the accounting period, which related to a Director who was engaged as a casual employee of the Trust for one pay run before resigning from the Board.

Owing to the nature of the Academy Trust's operations and the composition of the board being drawn from local public and private sector organisations, it is inevitable that transactions could take place with organisations in which a member of the Board may have an interest. All transactions involving related organisations are conducted in accordance with our financial regulations and normal procurement procedures.

Objectives and Activities

Objects and Aims

The Company's object ("the Object") is specifically restricted to the following:

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

I. Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education; and

II. other Academies whether with or without a designated religious character; but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

Alumnis Multi-Academy Trust

Directors' Report for the period from 11 June 2018 to 31 August 2019 (continued)

Objectives, Strategies and Activities

Alumnis MAT believes that education should be a journey that fosters a lifelong love of learning, where every learner is enabled supported and challenged to advance as far as they can in their learning within a respectful and nurturing environment.

We educate for wisdom, knowledge and skills, for hope and aspiration, for community and living well together and for dignity and respect. We enable all children to grow spiritually and become independent learners, developing a deep social, moral, spiritual and cultural awareness. We aspire for our children to become individuals who are well equipped to become responsible citizens of the future.

For children of all faiths and none at Alumnis MAT schools, we:

- Put learners at the centre of all they do and have high aspirations for every learner;
- Leave no stone unturned in finding ways to meet each learner's individual needs;
- Give every learner a wide and stimulating range of experiences to develop their learning, curiosity, self-confidence and independence;
- Serve their communities and are held in high regard by parents, other professionals, the local authority and the Diocese.

Collectively, we:

- Work collaboratively, supporting and learning from others seeking to improve outcomes for all learners;
- Hold each other to account for outcomes;
- Recognise and respect the distinctiveness of each school. In particular, uphold and promote the Christian ethos of schools with a Christian foundation;
- Invest in our people as professionals and leaders;
- Manage our activities in a planned, transparent, sustainable and financially responsible way.

As a trust which has both Church and community schools as members, Alumnis has adopted a framework through which all schools can express their ethos, whether Christian or more secular in character. It is based on the three elements 'Believe, Belong, Become'. 'Believe' focuses on what is held to be true in the world, and the foundation for thinking so. It allows discussion of belief in, for example a religious or scientific contexts, including why different people hold different beliefs, and how people's beliefs change over time through gaining new knowledge and experience. It also encompasses self-belief, which links closely with the 'growth mindset' which the Trust's school set out to develop in their pupils. 'Belong' is about one's place in the world, at many different levels, including family, school, Church, team, or wider community. Belonging to any group requires an understanding of purpose, and the ideas of responsibility, duty, and the rules by which the group operates. 'Become' is about change, and invites discussion of aspirations, intentions and plans, and what individuals can do themselves and with others to realise an envisaged future.

Public Benefit

All the schools within the Multi-Academy Trust provide an inclusive curriculum for the pupils within their local community; the admissions policy for each school can be found on their website. All the schools work with their local secondary schools to ensure a smooth transition into secondary education for pupils. All the schools within the Trust engage in ad hoc fundraising activities in support of local, national and international charities.

Alumnis Multi-Academy Trust

Directors' Report for the period from 11 June 2018 to 31 August 2019 (continued)

Strategic Report

Achievements and Performance

The Trust was formally inaugurated in October 2018, so this report covers slightly less than the first full academic year. The Trust was established on the basis of an operating model where the centre is responsible for

- defining our school improvement model;
- quality assurance;
- managing the improvement programme;
- managing the wider school to school support programme, including the Teaching School; and
- managing finances, administration and major projects.

Within this common framework, and subject to the scheme of delegation, Headteachers, working with their local schools committees, have the flexibility to lead their schools in a way which best suits their local circumstances.

During this year, the Trust's leadership has focused on:

- developing and implementing a teaching and learning improvement model to which all schools have contributed, based on a shared approach to assessment, curriculum content and design, and the evaluation of teaching
- specifying the performance measures which schools are required to provide (including both learner and staff performance), to track data, monitor performance, moderate and quality assure
- identifying opportunities to improve outcomes or where intervention may be needed to prevent underperformance;
- developing and managing a MAT-wide professional development programme to improve teaching and learning, and the skills of staff and leaders;
- creating and managing a high quality governance, risk management and administrative infrastructure which enables teaching staff in all schools to focus fully on teaching and learning;
- ensuring finances are allocated equitably and sustainably across schools.

Initiatives already under way include:

- Investment in a new 'maths mastery' programme to be used in all the Trust's schools. This will minimise internal variation in teaching within and across schools, standardise mathematical language and imagery and provide an effective progression model for the teaching of mathematics.
- Targeted deployment of an online tool to facilitate teacher judgements of writing. Teachers are able to upload samples of writing onto a shared database and make comparative judgements. The system provides feedback on the quality and accuracy of judgements and is a tool to aid a consistent approach to moderation and to boost teacher confidence in writing assessment. This has been done for all years groups. The system also provides internal benchmarking information for different year groups in different schools across the Trust.
- A spelling project led by an English SLE who is also a dyslexia specialist. Children across the Trust have been observed to have a wider bank of spelling strategies and are better able to make informed decisions, thus improving confidence and outcomes.

Alumnis Multi-Academy Trust

Directors' Report for the period from 11 June 2018 to 31 August 2019 (continued)

Strategic Report

These initiatives are managed through practitioner-led hubs each of which is supported by an experienced Specialist Leader of Education. The hubs focus exclusively on pedagogy, teaching learning and assessment, research and data, leading to improved classroom practice and a positive impact on pupil outcomes. The hubs also help develop future middle leaders.

In addition to the above, all schools have been subject to in-depth reviews covering safeguarding, SEND, and teaching and learning. The trust's Church schools have also been reviewed against the SIAMS framework. During the year, the central team also worked together to produce and roll out a new staff portal. The aim of the portal is to provide a common platform and suite of resources across all schools to share Trust wide policies and other information and to provide a one stop shop for staff to use to aid their CPD.

Alumnis Multi-Academy Trust

Directors' Report for the period from 11 June 2018 to 31 August 2019 (continued)

Strategic Report

Key Non-Financial Performance Indicators

Key data on outcomes is set out below. It should be noted that the Trust's schools are all small, and some very small, so cohort effects can be significant. The difference between being above and below national average for achieving age related expectation may be a single pupil.

- ↑ = increase in data since 2017/18
- ↓ = decrease in data since 2017/18
- = lower than national average
- = higher than national average

	Bampton	Clinton	Combe Martin	Dolton	St Helen's	Woolacombe
Early Years / Year 1	% of children who achieved GLD in reception	82% ↑	100% -	■	■	73% ↓
	Number of children in the Reception cohort	11	2	20	2	30
	% of children that passed the phonics check in year 1	■	100% ↑	85% ↓	100% -	83% ↓
	Number of children in Year 1 cohort	16	1	13	1	30
Key Stage 1	% achieving Age Related Expectations					
	Reading	78% ↓	75% ↓	81% ↓	100% ↑	76% ↓
	Writing	78% ↓	75% ↓	■	100% ↑	70% ↓
	Maths	78% ↓	■	■	100% ↑	76% ↓
	% achieving Greater Depth					
	Reading	22% ↓	0% ↓	16% ↓	66% ↑	3% ↓
	Writing	33% ↓	0% ↓	9% ↓	0% ↓	10% ↓
	Maths	33% ↓	0% ↓	9% ↓	33% ↑	10% ↓
Number of children in Year 2 cohort	18	4	32	3	30	
Key Stage 2	% achieving Age Related Expectations					
	Reading	80% ↓	■	81% ↓	100% ↑	78% ↓
	Writing	100% ↑	■	86% ↓	■	100% ↑
	Maths	80% ↓	■	90% ↓	■	100% ↑
	Combined Measure	80% ↓	■	82% ↓	■	97% ↓
	% achieving Greater Depth					
	Reading	30% ↓	■	52% ↓	55% ↑	■
	Writing	30% ↓	■	■	22% ↓	22% -
	Maths	50% ↑	■	33% ↓	■	■
	Number of children in Year 6 cohort	10	4	21	9	27

Alumnis Multi-Academy Trust

Directors' Report for the period from 11 June 2018 to 31 August 2019 (continued)

Strategic Report

Going Concern

After making appropriate enquiries, the Board of Directors 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 Multi Academy Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Multi Academy Trust also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2019, total expenditure of £5,183,000 was met by recurrent grant funding from the ESFA together with other incoming resources, including revenue delegated to the Trust from the Local Authority targeted to support pupils with Special Educational Needs and Disabilities. There was a surplus of £2,030,000.

The Multi Academy Trust held fund balances at 31 August 2019 of £1,659,000 comprising £1,616,000 of restricted funds and £43,000 of unrestricted general funds. Of the restricted funds, £3,553,000 is represented by tangible fixed assets. The Pension reserve which is considered part of restricted funds was £2,042,000 in deficit.

At 31 August 2019 the net book value of fixed assets was £3,438,000. The assets were used exclusively for providing education and the associated support services to the pupils of the Multi Academy Trust.

The Trust has a deficit in the Local Government Pension Scheme in respect of its non teaching staff. The deficit is incorporated within the Statement of Financial Activity with details in note 21 to the financial statements.

Reserves Policy

The Directors review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review. The Directors' intention is to work towards an ongoing free cash reserves equal to at least 1 month of operating costs. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

Alumnis Multi-Academy Trust

Directors' Report for the period from 11 June 2018 to 31 August 2019 (continued)

Strategic Report

Investment Policy

Under the Memorandum and Articles of Association, the Trust has the power to deposit or invest any funds of the Company not immediately required for the furtherance of its object (but to invest only after obtaining such advice from a financial expert as the Directors consider necessary and having regard to the suitability of investments and the need for diversification).

The Trust may delegate the management of investments to a financial expert, but only on terms that:

- I. the investment policy is set down in writing for the financial expert by the Directors;
- II. every transaction is reported promptly to the Directors;
- III. the performance of the investments is reviewed regularly with the Directors;
- IV. the Directors are entitled to cancel the delegation arrangement at any time;
- V. the investment policy and the delegation arrangement are reviewed at least once a year;
- VI. all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Directors on receipt; and
- VII. the financial expert must not do anything outside the powers of the Directors.

The Trust may arrange for investments or other property of the Company to be held in the name of a nominee company acting under the control of the Directors or of a financial expert acting under their instructions, and to pay any reasonable fee required.

Alumnis Multi Academy Trust did not hold any investments during the period to 31 August 2019.

Principal Risks and Uncertainties

The Board of Directors recognise the requirement to identify and manage the principal risks and uncertainties of the Trust.

One of the main financial risks to which Alumnis Multi Academy Trust is exposed, taking account of the mitigations in place, relate to the risk of an income shortfall due to the likelihood of further government spending reductions affecting our general grant. This risk is mitigated by careful management of Trust funds and a comprehensive budgeting process, which includes scenario planning for different funding modes.

Other risks identified by Directors include:

- The need to balance both the need to grow and the capacity to grow;
- The need to recruit further Directors to the Board; and
- The need to ensure the continued viability of the Trust by maintaining the highest educational standards in order to attract applicants in sufficient numbers. To mitigate this risk Directors ensure that pupil success and achievement are closely monitored and reviewed.

A risk arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £2,042,000.

Alumnis Multi-Academy Trust

Directors' Report for the period from 11 June 2018 to 31 August 2019 (continued)

Strategic Report

Fundraising

Alumnis Multi Academy Trust carries out a limited amount of direct fundraising, which is appropriate to the communities within which it operates. Upon fundraising activities being undertaken, the Trust ensures that systems and controls are in place to separate and protect funds. The Trust has regard to its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, ensuring that recognised standards are applied so that fundraising is open, honest and respectful, and that the public are not placed under undue pressure to donate. The Trust's complaints procedure is the mechanism for handling any complaints regarding fundraising activities.

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

Plans for Future Periods

Alumnis Multi Academy Trust remains committed to school improvement.

The Trust's schools have a good understanding of its strengths and areas for development based on rigorous analysis of data and monitoring of teaching and learning. The Trust's schools, including its Church schools, also make good use of external validation to secure its judgement on the quality of provision and subsequent outcomes.

The Trust plans to expand by adding new Academies which align with the Alumnis ethos, aims and objectives and where the Board consider that mutual benefits will arise.

Alumnis Multi Academy Trust identified three key objectives for strategic improvement in the 2018/2018 Trust Improvement Plan:

- Promote strategic growth of the Trust
- Raise standards of achievement
- Ensure high quality teaching

On 1st October 2019 Clawton Primary School converted to an academy and became a member of Alumnis Multi Academy Trust.

Funds Held as Custodian Trustee on Behalf of Others

No funds are held as custodian on behalf of others.

Alumnis Multi-Academy Trust

Directors' Report for the period from 11 June 2018 to 31 August 2019 (continued)

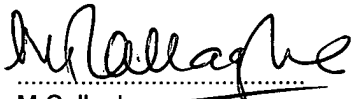
Strategic Report

Auditor

In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors 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.

Directors' Report, incorporating a Strategic Report, was approved by order of the Board of Directors, as the company directors, on 10/12/2019 and signed on the board's behalf by:



M Callaghan
Trustee



Z Batten
Chief Executive Officer

Alumnis Multi-Academy Trust

Governance Statement

Scope of Responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that Alumnis 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.

The Board of Directors has delegated the day-to-day responsibility to Z Batten, 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 Alumnis Multi-Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Board of Directors has formally met 10 times during the period. Attendance during the period at meetings of the Board of Directors was as follows:

Trustee	Meetings attended	Out of a possible
K Bond	4	5
T Bridger	6	8
M Callaghan	10	10
M Greenhalgh	6	8
T Hodge	0	2
I John	5	10
G Marlow	9	10
G Matthews	7	10
M Pearson	5	10
J Rudman	0	2

Alumnis Multi-Academy Trust

Governance Statement (continued)

Governance reviews

During the summer of 2019 a review of governance at all levels of the Trust was conducted, which included an assessment of the information made available to the Board, the Board's skills and capacity, and a self-evaluation by each Board member to identify development needs. The Board was generally satisfied with the structure and detail of the reports provided to it, which include regular reports from the CEO and CFO, visit reports from the CEO and lead directors, and minutes of committee and LSC meetings. The main area of concern was the lack of school-level detail in financial reports for those schools who had previously been part of a federation which managed its finances collectively. This has been resolved for the new financial year.

The Board noted that its members have a depth of experience in teaching and learning, finance and commercial, safeguarding and data protection and, following an in-year appointment, HR. However, it concluded that it would be beneficial to have additional health and safety, premises and legal skills, and that it would have more depth and resilience if it increased its numbers. The Board will therefore be actively recruiting. To address its training and succession planning needs, the Board intends to access training provided by the National Governor's Association during the coming year.

As similar review was undertaken by each LSC. As a result the Trust will be providing them with access to online training opportunities and a new model of clerking will also be introduced as a result of the review.

The next self-review will take place in June 2020.

The Resources Committee is a sub-committee of the main Board of Directors. The Resources Committee which is responsible for holding the Trust and each school's leadership to account for their financial performance and use of resources. Its remit covers financial management; health, safety, premises and assets; data protection; staffing and pay. Attendance at meetings during the period was as follows:

Director	Meetings attended	Out of a possible
K Bond	2	4
T Bridger	3	4
M Callaghan	5	5
I John	5	5
M Winter	4	5

The Learning and Standards Committee is a sub-committee of the main Board of Directors. The Learning and Standards Committee which is responsible for holding the Trust's leadership to account for academic performance, quality of care and quality of provision, and for monitoring the overall effectiveness and efficiency of the educational leadership and management of the Trust and of each school. Its remit covers curriculum; standard; teaching and learning; safeguarding. Attendance at meetings during the period was as follows:

Alumnis Multi-Academy Trust

Governance Statement (continued)

Director	Meetings attended	Out of a possible
M Greenhalgh	0	3
G Marlow	4	4
G Matthews	4	4
M Pearson	1	4

The Ethos Committee is a sub-committee of the main Board of Directors. The Ethos Committee which is responsible for holding the Trust's leadership to account for the way in which each school expresses and lives up to its interpretation of 'Believe, Belong, Become' and (for Church schools) for the way in which this upholds and develops the school's Christian distinctiveness and delivers against SIAMS expectations. Attendance at meetings during the period was as follows:

Director	Meetings attended	Out of a possible
M Callaghan	2	2
M Greenhalgh	0	2
G Marlow	2	2
M Pearson	0	2

In addition each school has a Local Schools Committee, each of which supports the Board (and in particular, the Learning and Standards Committee), by providing assurance in respect of standards, safeguarding and ethos.

When the Trust was established, it was decided to have an Audit Committee whose remit was to assist the Board in satisfying itself that the Trust is effectively managing the risks set out in its strategic risk register, and that the Trust's risk management framework addresses the right issues. This framework identifies the outcomes the Trust needs to achieve to ensure it is performing effectively, and in line with its legal obligations and stakeholder expectations. However, following discussion at the committee's initial meeting, and subsequently at the Board, it was decided that the Resources Committee's remit should be expanded to include these roles.

In addition to sitting on sub-committees Directors also have lead roles, related to their skillset, in areas such as Safeguarding, SEND, Health and Safety. They also provide a link with Local Schools Committee and attend local meetings to provide support and guidance. Directors with specific portfolios join the CEO in carrying out visits across Trust School in a rolling program over the academic year. The reports from these visits are then reported back to the Board.

Alumnis Multi-Academy Trust

Governance Statement (continued)

Review of Value for Money

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

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

- aligning service contracts across all Trust schools to benefit from group pricing structures;
- negotiating advantageous discounts with key suppliers on the basis of bulk purchasing; and
- increasing controls on overtime and supply costs with the introduction of a consistent approach across the Trust to claiming and authorisation procedures.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Alumnis Multi-Academy Trust for the period ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Directors 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 Directors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period ending 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

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 Directors;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

Alumnis Multi-Academy Trust

Governance Statement (continued)

Initially, the Trust relied on internal reports against the assurance outcomes in its risk management framework to assess the effectiveness of its risk and control framework. However, during the year, the Board concluded that it needed an independent source of assurance, and appointed Devon Audit Partnership as internal auditors. The scope of work of the internal auditors is:

- To provide independent assurance to the Audit Committee on the financial controls, systems, transactions and risks.
- With reference to the AFH, audit controls as set out in the Charity Commission publication CC8 - Internal Financial Controls for Charities. Review risk management as set out in the publication CC26 - Charities and Risk Management.
- Provide assurance to the Trust to assist completion of their Governance Statement as required in the Academies Accounts Direction. Audit reports will, once approved by the Academy, be made available to the External Auditor; and
- Audit review on a risk based approach of all significant financial and management systems to determine whether the school's key objectives are being achieved, an adequate level of control exists and value for money is obtained.

There will be three audit reviews for the year at dates to be agreed.

The internal auditors were formally appointed on 14th May 2019 and their first audit report is scheduled for December 2019.

The 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 control account/ bank reconciliations

On a quarterly basis, the reports to the Board of Directors, through the finance committee on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

There were no material control or other issues reported by the Responsible Officer to date.

Review of Effectiveness

As accounting officer, Z Batten has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

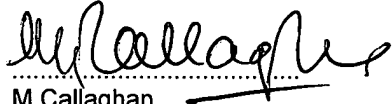
- the reports made under the Trust's risk management framework;
- the work of the external auditor;
- the governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Alumnis Multi-Academy Trust

Governance Statement (continued)

Approved by order of the members of the Board of Directors on ~~10/12/2019~~ and signed on its behalf by:



M Callaghan
Trustee



Z Batten
Accounting officer
Chief Executive Officer

Alumnis Multi-Academy Trust

Statement of Regularity, Propriety and Compliance

As Accounting Officer of Alumnis Multi-Academy Trust I have considered my responsibility to notify the academy trust Board of Directors 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 2018.

I confirm that I and the academy trust Board of Directors 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 2018.

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 Directors and ESFA.



Z Batten
Accounting officer

Date: 10/12/2019...

Alumnis Multi-Academy Trust

Statement of Directors' Responsibilities

The Directors (who are also directors of Alumnis Multi-Academy Trust for the purposes of company law) are responsible for preparing the Directors' 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 Directors to prepare financial statements for each financial year. Under company law the Directors 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 Directors are required to:


- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed; subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors 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 Directors 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 the ESFA/DfE have been applied for the purposes intended.

The Directors 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 Directors on 10/12/2019 and signed on its behalf by:


.....
Z Batten
Chief Executive Officer

Alumnis Multi-Academy Trust

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

Opinion

We have audited the financial statements of Alumnis Multi-Academy Trust (the 'Academy') for the period from 11 June 2018 to 31 August 2019, 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's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors 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 Directors' Report and Strategic Report and the Governance Statement)

The Directors 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.

Alumnis Multi-Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Alumnis 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 Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 22], the Directors 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 Directors 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 Directors 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 Directors 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.


Alumnis Multi-Academy Trust

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

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

Use of our report

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



Sharon Austen FCCA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Sigma House
Oak View Close
Edginswell Park
Torquay
TQ2 7FF

Date: 17 December 2019

Alumnis Multi-Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Alumnis Multi-Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 30 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Alumnis Multi-Academy Trust during the period 11 June 2018 to 31 August 2019 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 Alumnis Multi-Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Alumnis 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 Alumnis Multi-Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Alumnis Multi-Academy Trust's Accounting Officer and the reporting Accountant

The Accounting Officer is responsible, under the requirements of Alumnis Multi-Academy Trust's funding agreement with the Secretary of State for Education dated and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. 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 period from 11 June 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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:


- Inspection and review of documentation providing evidence of governance procedures;
- Evaluation of the system of internal controls for authorisation and approval;
- Performing substantive tests on relevant transactions.

Alumnis Multi-Academy Trust

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

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 period from 11 June 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Sharon Austen FCCA
PKF Francis Clark, Chartered Accountants

Sigma House
Oak View Close
Edjinswell Park
Torquay
TQ2 7FF

Date: 17 December 2019

Alumnis Multi-Academy Trust

Statement of Financial Activities for the Period from 11 June 2018 to 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2018/19 Total £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	44	517	115	676
Transfer from local authority on conversion	24	-	(1,084)	3,587	2,503
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	3	-	3,831	-	3,831
Teaching schools	25	-	140	-	140
Other trading activities	4	67	-	-	67
Total		111	3,404	3,702	7,217
Expenditure on:					
Raising funds	5	-	68	-	68
<i>Charitable activities:</i>					
Academy trust educational operations	6	50	4,687	168	4,905
Teaching schools	25	-	210	-	210
Total		50	4,965	168	5,183
Net income/(expenditure)		61	(1,561)	3,534	2,034
Transfers between funds		(18)	(1)	19	-
Other recognised gains and losses					
Actuarial loss on defined benefit pension schemes	21	-	(371)	-	(371)
Net movement in funds/(deficit)		43	(1,933)	3,553	1,663
Reconciliation of funds					
Total funds/(deficit) carried forward at 31 August 2019		43	(1,933)	3,553	1,663

Alumnis Multi-Academy Trust

(Registration number: 11409631) Balance Sheet as at 31 August 2019

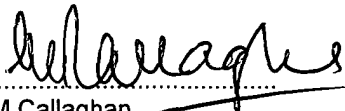
	Note	31 August 2019 £ 000
Fixed assets		
Intangible assets	11	14
Tangible assets	12	<u>3,424</u>
		<u>3,438</u>
Current assets		
Debtors	13	655
Cash at bank and in hand		<u>461</u>
		1,116
Creditors: Amounts falling due within one year	14	<u>(849)</u>
Net current assets		<u>267</u>
Total assets less current liabilities		<u>3,705</u>
Net assets excluding pension liability		3,705
Defined benefit pension scheme liability	21	<u>(2,042)</u>
Total assets		<u><u>1,663</u></u>
Funds of the Academy:		
Restricted funds		
Restricted general fund		109
Restricted fixed asset fund		3,553
Restricted pension fund		<u>(2,042)</u>
		1,620
Unrestricted funds		
Unrestricted general fund		<u>43</u>
Total funds		<u><u>1,663</u></u>

Alumnis Multi-Academy Trust

(Registration number: 11409631)

Balance Sheet as at 31 August 2019 (continued)

The financial statements on pages 28 to 55 were approved by the Directors, and authorised for issue on 10/12/2019 and signed on their behalf by:



M Callaghan
Trustee



Z Batten
Chief Executive Officer

Alumnis Multi-Academy Trust

Statement of Cash Flows for the Period from 11 June 2018 to 31 August 2019

	Note	31 August 2019 £ 000
Cash flows from operating activities		
Net cash provided by operating activities	18	365
Cash flows from investing activities	19	<u>96</u>
Change in cash and cash equivalents in the period		461
Cash and cash equivalents at 11 June 2018		<u>-</u>
Cash and cash equivalents at 31 August 2019		<u><u>461</u></u>

Alumnis Multi-Academy Trust

Notes to the Financial Statements for the Period from 11 June 2018 to 31 August 2019

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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

Going concern

The Directors 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 Directors make this assessment in respect of a period of one year from the date of approval of the financial statements. The Directors 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Alumnis Multi-Academy Trust

Notes to the Financial Statements for the Period from 11 June 2018 to 31 August 2019 (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 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.

Transfer on conversion

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

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

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.

Intangible fixed assets

Intangible assets costing £5,000 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:

Alumnis Multi-Academy Trust

Notes to the Financial Statements for the Period from 11 June 2018 to 31 August 2019 (continued)

1 Accounting policies (continued)

Asset class	Amortisation method and rate
Computer software	3 years

Tangible fixed assets

Tangible assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

The board has decided to exclude from land and buildings the full value of the premises occupied under licence from the Diocese of Exeter in line with ESFA current guidance. Each Church school's Church Supplemental Agreement states that for these sites, the directors may give two years written notice to terminate the agreement. Therefore any additions to these premises will be depreciated over 2 years.

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.

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

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

Asset class	Depreciation method and rate
Land and buildings	50 years
Furniture and equipment	5 years
Computer equipment	3 years

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.

Alumnis Multi-Academy Trust

Notes to the Financial Statements for the Period from 11 June 2018 to 31 August 2019 (continued)

1 Accounting policies (continued)

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.

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 13. Prepayments are not financial instruments.

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

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

Taxation

The academy 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.

Alumnis Multi-Academy Trust

Notes to the Financial Statements for the Period from 11 June 2018 to 31 August 2019 (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 and the assets are held separately from those of the Academy Trust.

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 Directors.

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

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

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.

Alumnis Multi-Academy Trust

Notes to the Financial Statements for the Period from 11 June 2018 to 31 August 2019 (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 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

Land and buildings acquired on conversion to academy are valued where possible using an independent valuation from the ESFA. Where this is not available at the date the accounts are prepared, the assets are included in the financial statements at a value derived from their insurance valuation.

2 Donations and capital grants

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	2018/19 Total £ 000
Other voluntary income				
Educational trips, visits and clubs	-	119	-	119
Capital grants	-	-	115	115
Other donations	44	398	-	442
	<u>44</u>	<u>517</u>	<u>115</u>	<u>676</u>

Alumnis Multi-Academy Trust

Notes to the Financial Statements for the Period from 11 June 2018 to 31 August 2019 (continued)

3 Funding for the Academy Trust's educational operations

	Restricted funds £ 000	Total 2018/19 £ 000
DfE/ESFA revenue grants		
General Annual Grant (GAG)	2,461	2,461
Pupil Premium	167	167
PE and Sports	91	91
Start Up Grants	220	220
Universal Infant Free School Meals	96	96
Teachers' Pay Grant	12	12
MAT Development and Improvement Fund	114	114
Integrated Curriculum and Financial Planning	5	5
	<u>3,166</u>	<u>3,166</u>
Other government grants		
SEN/High Needs Income	423	423
Nursery Funding	242	242
	<u>665</u>	<u>665</u>
Total grants	<u>3,831</u>	<u>3,831</u>

4 Other trading activities

	Unrestricted funds £ 000	2018/19 Total £ 000
Hire of facilities	1	1
School shop sales	2	2
Other income	35	35
Income from other charitable activities	29	29
	<u>67</u>	<u>67</u>

Alumnis Multi-Academy Trust

Notes to the Financial Statements for the Period from 11 June 2018 to 31 August 2019 (continued)

5 Expenditure

	Non Pay Expenditure			2018/19
	Staff costs £ 000	Premises £ 000	Other costs £ 000	Total £ 000
Expenditure on raising funds				
Direct costs	-	-	68	68
Academy's educational operations				
Direct costs	2,564	-	158	2,722
Allocated support costs	718	821	644	2,183
Teaching School	84	-	126	210
	<u>3,366</u>	<u>821</u>	<u>996</u>	<u>5,183</u>

Net income/(expenditure) for the period includes:

	2018/19 £ 000
Operating lease rentals	15
Depreciation	163
Amortisation of intangible fixed assets	5
Fees payable to auditor - audit	11
- other audit services	6
	<u>6</u>

Alumnis Multi-Academy Trust

Notes to the Financial Statements for the Period from 11 June 2018 to 31 August 2019 (continued)

6 Charitable activities

	Total 2018/19 £ 000
Direct costs - educational operations	2,722
Support costs - educational operations	2,183
	<u>4,905</u>

	Educational operations £ 000	Total 2018/19 £ 000
Analysis of support costs		
Support staff costs	718	718
Depreciation	168	168
Premises costs	653	653
Other support costs	576	576
Governance costs	68	68
Total support costs	<u>2,183</u>	<u>2,183</u>

Alumnis Multi-Academy Trust

Notes to the Financial Statements for the Period from 11 June 2018 to 31 August 2019 (continued)

7 Staff

Staff costs

	2018/19 £ 000
Staff costs during the period were:	
Wages and salaries	2,502
Social security costs	223
Operating costs of defined benefit pension schemes	635
	<u>3,360</u>
Supply staff costs	63
	<u>3,423</u>

Staff numbers

The average number of persons (including senior management team) employed by the Academy Trust during the period expressed as average headcount was as follows:

	2018/19 No
Charitable Activities	
Teachers	46
Administration and support	110
Management	7
	<u>163</u>

Staff numbers

The average number of persons (including senior management team) employed by the Academy Trust during the period expressed as full time equivalents was as follows:

	2018/19 No
Charitable Activities	
Teachers	35
Administration and support	63
Management	7
	<u>105</u>

Alumnis Multi-Academy Trust

Notes to the Financial Statements for the Period from 11 June 2018 to 31 August 2019 (continued)

7 Staff (continued)

Higher paid staff

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

	2018/19 No
£70,001 - £80,000	<u>1</u>

The key management personnel of the Academy Trust comprise the Directors, the Chief Executive Officer, the Trust Business Manager and the Heads of all the schools within the trust. 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 £427,320.

8 Central services

No central services were provided by the Academy Trust to its academies during the period and no central charges arose.

9 Related party transactions - directors' remuneration and expenses

One or more Directors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Directors 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 Directors' remuneration and other benefits was as follows:

K Bond (Ad-hoc consultant):

Remuneration: £0 - £5,000

Employer's pension contributions: £0 - £5,000

During the period ended 31 August 2019, travel and subsistence expenses totalling £47 were reimbursed or paid directly to 1 Director.

Other related party transactions involving the Directors are set out in note 22.

10 Directors' and officers' insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this insurance is included in the total insurance cost, which was £18,855 for the period to 31 August 2019.

Alumnis Multi-Academy Trust

Notes to the Financial Statements for the Period from 11 June 2018 to 31 August 2019 (continued)

11 Intangible fixed assets

	Computer software £ 000	Total £ 000
Cost		
Additions	19	19
At 31 August 2019	<u>19</u>	<u>19</u>
Amortisation		
Charge for the year	5	5
At 31 August 2019	<u>5</u>	<u>5</u>
Net book value		
At 31 August 2019	<u><u>14</u></u>	<u><u>14</u></u>

12 Tangible fixed assets

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Computer equipment £ 000	Total £ 000
Cost				
Transfer on conversion	3,347	137	103	3,587
At 31 August 2019	<u>3,347</u>	<u>137</u>	<u>103</u>	<u>3,587</u>
Depreciation				
Charge for the year	50	50	63	163
At 31 August 2019	<u>50</u>	<u>50</u>	<u>63</u>	<u>163</u>
Net book value				
At 31 August 2019	<u><u>3,297</u></u>	<u><u>87</u></u>	<u><u>40</u></u>	<u><u>3,424</u></u>

The land and buildings relate to Combe Martin and Woolacombe Primary Schools and have been included at a value derived from the insurance valuations. These premises will be revalued next year once the ESFA valuations become available.

Alumnis Multi-Academy Trust

Notes to the Financial Statements for the Period from 11 June 2018 to 31 August 2019 (continued)

13 Debtors

	31 August 2019 £ 000
Prepayments	441
VAT recoverable	157
Other debtors	57
	<u>655</u>

14 Creditors: amounts falling due within one year

	31 August 2019 £ 000
Trade creditors	195
Other taxation and social security	51
Other creditors and accruals	40
Pension scheme creditor	53
Deferred income	510
	<u>849</u>

	31 August 2019 £ 000
Deferred income	
Resources deferred in the period	<u>510</u>

At the balance sheet date the Academy Trust was holding funds received in advance for notional rent, Universal Infant Free School Meals, residential trips and ParentPay.

Alumnis Multi-Academy Trust

Notes to the Financial Statements for the Period from 11 June 2018 to 31 August 2019 (continued)

15 Funds

	Income £ 000	Expenditure £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2019 £ 000
Restricted general funds				
General Annual Grant	2,461	(2,460)	(1)	-
Pupil Premium	167	(167)	-	-
SEN/High Needs Income	423	(423)	-	-
MAT Development Improvement Fund	114	(114)	-	-
Trips and visits	82	(82)	-	-
Teaching School Grants and Income	140	(210)	179	109
Clubs	37	(37)	-	-
UIFSM	96	(96)	-	-
PE and Sports	91	(91)	-	-
Start Up Grants	220	(220)	-	-
Nursery Funding	242	(242)	-	-
Other grants	17	(17)	-	-
Notional Rent	398	(398)	-	-
Funds received on conversion from LA	305	(126)	(179)	-
	<u>4,793</u>	<u>(4,683)</u>	<u>(1)</u>	<u>109</u>
Restricted fixed asset funds				
Other LA Capital	3,587	(163)	-	3,424
Capital expenditure from GAG	-	(5)	19	14
DfE/ESFA Capital Grants	115	-	-	115
	<u>3,702</u>	<u>(168)</u>	<u>19</u>	<u>3,553</u>
Restricted pension funds				
Defined Benefit Pension Liability	<u>(1,389)</u>	<u>(282)</u>	<u>(371)</u>	<u>(2,042)</u>
Total restricted funds	7,106	(5,133)	(353)	1,620
Unrestricted funds				
Unrestricted general funds	<u>111</u>	<u>(50)</u>	<u>(18)</u>	<u>43</u>
Total funds	<u>7,217</u>	<u>(5,183)</u>	<u>(371)</u>	<u>1,663</u>

Alumnis Multi-Academy Trust

Notes to the Financial Statements for the Period from 11 June 2018 to 31 August 2019 (continued)

16 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Intangible fixed assets	-	-	14	14
Tangible fixed assets	-	-	3,424	3,424
Current assets	43	958	115	1,116
Current liabilities	-	(849)	-	(849)
Pension scheme liability	-	(2,042)	-	(2,042)
Total net assets	<u>43</u>	<u>(1,933)</u>	<u>3,553</u>	<u>1,663</u>

17 Financial commitments

Operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	31 August 2019 £ 000
Amounts due within one year	14
Amounts due between one and five years	<u>23</u>
	<u>37</u>

Alumnis Multi-Academy Trust

Notes to the Financial Statements for the Period from 11 June 2018 to 31 August 2019 (continued)

18 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	31 August 2019 £ 000
Net income	2,034
Amortisation	5
Depreciation	163
Non-cash assets transferred on conversion to academy trust	(3,587)
Capital grants from DfE and other capital income	(115)
Defined benefit pension scheme obligation inherited	1,389
Defined benefit pension scheme cost less contributions payable	248
Defined benefit pension scheme finance cost	34
Increase in debtors	(655)
Increase in creditors	849
Net cash provided by Operating Activities	<u>365</u>

19 Cash flows from investing activities

	31 August 2019 £ 000
Purchase of intangible fixed assets	(19)
Capital grants from DfE	115
Net cash provided by investing activities	<u>96</u>

Alumnis Multi-Academy Trust

Notes to the Financial Statements for the Period from 11 June 2018 to 31 August 2019 (continued)

20 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while 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.

21 Pension and similar obligations

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial period. Contributions amounting to £(53,000) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

Alumnis Multi-Academy Trust

Notes to the Financial Statements for the Period from 11 June 2018 to 31 August 2019 (continued)

21 Pension and similar obligations (continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £203,000 .

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 period ended 31 August 2019 was £238,000, of which employer's contributions totalled £184,000 and employees' contributions totalled £54,000. The agreed contribution rates for future years are 15.4 per cent plus £3,200 per month for employers and 5.5-12.5 per cent for employees.

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

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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.

On 27 June 2019 the Supreme Court upheld the Court of Appeal's ruling that government reform's made in 2015 to the pensions of judges and firefighters were unlawful on the grounds of age discrimination. This case has become known as the 'McCloud judgement' and the ruling will have wider implications for all public service schemes affected by the reforms. Accordingly, the valuation provided by the actuary at 31 August 2019 includes the expected impact of compensation payments arising from this judgement.

Alumnis Multi-Academy Trust

Notes to the Financial Statements for the Period from 11 June 2018 to 31 August 2019 (continued)

21 Pension and similar obligations (continued)

Principal actuarial assumptions

	31 August 2019 %
Rate of increase in salaries	3.70
Rate of increase for pensions in payment/inflation	2.20
Discount rate for scheme liabilities	<u>1.90</u>

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

	31 August 2019
Retiring today	
Males retiring today	22.50
Females retiring today	24.40
Retiring in 20 years	
Males retiring in 20 years	24.20
Females retiring in 20 years	<u>26.20</u>

Sensitivity analysis

	At 31 August 2019 £000
Discount rate +0.1%	3,297
Discount rate -0.1%	3,473
Mortality assumption – 1 year increase	3,508
Mortality assumption – 1 year decrease	3,265
CPI rate +0.1%	3,463
CPI rate -0.1%	<u>3,307</u>

Alumnis Multi-Academy Trust

Notes to the Financial Statements for the Period from 11 June 2018 to 31 August 2019 (continued)

21 Pension and similar obligations (continued)

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

	31 August 2019 £ 000
Equities	801
Gilts	48
Alternative assets	70
Infrastructure	51
Other bonds	25
Property	117
Cash and other liquid assets	18
Target return portfolio	212
Total market value of assets	<u>1,342</u>

The actual return on scheme assets was £49,000.

Alumnis Multi-Academy Trust

Notes to the Financial Statements for the Period from 11 June 2018 to 31 August 2019 (continued)

21 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2018/19 £ 000
Current service cost	(387)
Past service cost	(45)
Interest income	31
Interest cost	(64)
Total amount recognised in the SOFA	<u>(465)</u>

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

	2018/19 £ 000
Conversion of academy trusts	2,445
Current service cost	387
Interest cost	64
Employee contributions	54
Actuarial (gain)/loss	389
Past service cost	45
At 31 August	<u>3,384</u>

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

	2018/19 £ 000
Conversion of academy trusts	1,056
Interest income	30
Actuarial gain/(loss)	18
Employer contributions	184
Employee contributions	54
At 31 August	<u>1,342</u>

The net pension deficit as at 31 August 2019 was £2,042,000.

22 Related party transactions

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

Related party transactions involving certain directors' remuneration and expenses have already been disclosed in note 9.

Alumnis Multi-Academy Trust

Notes to the Financial Statements for the Period from 11 June 2018 to 31 August 2019 (continued)

22 Related party transactions (continued)

Expenditure related party transactions

During the period the academy made the following related party transactions:

Diocesan Board of Education

Alumnis Multi-Academy Trust purchased services from the DBE during the period to 31 August 2019 amounting to £550.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

At the balance sheet date the amount due to Diocesan Board of Education was £Nil.

23 Agency arrangements

The Academy Trust provides catering services to students as an agent. In the accounting period ended 31 August 2019 the trust received £11,000 and disbursed £11,000 from the fund. An amount of £nil is included in other creditors relating to undistributed funds that is repayable.

24 Conversion to an academy trust

On 1 October 2018 the Bampton CofE Primary School, Clinton CofE Primary School, Combe Martin Primary School, Dolton CofE Primary School, St Helen's CofE Primary School and Woolacombe Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Alumnis Multi-Academy Trust from the Devon County Council Local Authority for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

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

	Restricted general fund £ 000	Restricted fixed asset fund £ 000	Total £ 000
Tangible fixed assets			
Leasehold land and buildings	-	3,347	3,347
Other tangible fixed assets	-	240	240
Budget surplus on LA funds	305	-	305
LGPS pension deficit	(1,389)	-	(1,389)
Net (liabilities)/assets	<u>(1,084)</u>	<u>3,587</u>	<u>2,503</u>

Alumnis Multi-Academy Trust

Notes to the Financial Statements for the Period from 11 June 2018 to 31 August 2019 (continued)

24 Conversion to an academy trust (continued)

The split of the Defined Benefit Pension Liability and the funds transferred from the Local Authority on conversion are unknown, with the exception of the fixed assets, which are split as follows:

	Bampton	Clinton	Combe Martin	Dolton	St Helen's	Woolacombe	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Leasehold land and buildings	-	-	2,123	-	-	1,224	3,347
Furniture and fixtures	26	12	14	19	36	30	137
Computer equipment	16	8	27	8	20	24	103
Total	42	20	2,164	27	56	1,278	3,587

25 Teaching school trading account

	2018/19 £ 000
Income	
Direct Income	
Other income	140
Total Income	<u>140</u>
Expenditure	
Direct costs	
Direct staff costs	56
Staff development	1
Other direct costs	45
Total direct costs	<u>102</u>
Other costs	
Support staff costs	28
Other support costs	80
Total other costs	<u>108</u>
Total Expenditure	(210)
Transfer from funds on conversion from LA	<u>179</u>
Surplus from all sources	<u>109</u>
Teaching school balances at 31 August 2019	<u><u>109</u></u>

Alumnis Multi-Academy Trust

Notes to the Financial Statements for the Period from 11 June 2018 to 31 August 2019 (continued)

26 Events after the end of the reporting period

On 1 October 2019 Clawton Primary School converted to academy status and became part of Alumnis Multi-Academy Trust.