

---

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

---

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

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

---

---

**CONTENTS**

---

	Page
<b>Reference and Administrative Details</b>	1 - 2
<b>Trustees' Report</b>	3 - 17
<b>Governance Statement</b>	18 - 21
<b>Statement on Regularity, Propriety and Compliance</b>	22
<b>Statement of Trustees' Responsibilities</b>	23
<b>Independent Auditors' Report on the Financial Statements</b>	24 - 26
<b>Independent Reporting Accountant's Report on Regularity</b>	27 - 28
<b>Statement of Financial Activities Incorporating Income and Expenditure Account</b>	29 - 30
<b>Balance Sheet</b>	31 - 32
<b>Statement of Cash Flows</b>	33
<b>Notes to the Financial Statements</b>	34 - 63

---

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

---

---

**REFERENCE AND ADMINISTRATIVE DETAILS**

---

<b>Members</b>	Mr A P Dransfield Ms S McGuire Mr T Naylor Rear Admiral R Lane-Nott
<b>Trustees</b>	Mr J S Howe, Chair of Trustees <sup>1</sup> Mr A Squires, CEO and Principal Accounting Officer <sup>1</sup> Mr W G Butler Mr A P Dransfield <sup>1</sup> Ms S McGuire <sup>1</sup> Mrs D Plumb Mr B R Hawthorne Mr C Solloway (Resigned 19 July 2019) Mr A Hornshaw (Resigned 19 July 2019) <sup>1</sup> Mrs D J Sporn <sup>1</sup> Mrs M O'Brien Mr J R Cove (appointed 10 October 2018) <sup>1</sup>  <sup>1</sup> Members of the Resources (Finance, Buildings and HR) Committee
<b>Company registered number</b>	07527108
<b>Company name</b>	The Denbigh Alliance
<b>Principal and registered office</b>	Denbigh School Burchard Crescent Shenley Church End Milton Keynes MK5 6EX
<b>Senior leadership team</b>	Mr A Squires, Headteacher Mr I Bacon, Senior Deputy Headteacher Miss J Barford, Assistant Headteacher Miss L Dale, Assistant Headteacher Dr A Frame, Deputy Headteacher Miss J Morton, Assistant Headteacher Mr P Myers, Deputy Headteacher Mr C Price, Assistant Headteacher Mr S Goodall, Assistant Headteacher (left 31 December 2018) Mr H Brown, Assistant Headteacher Mr J Waters, Assistant Headteacher Mr A Steed, Assistant Headteacher

---

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

---

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**Independent auditors**      Hillier Hopkins LLP  
Chartered Accountants  
Statutory Auditor  
Radius House  
51 Clarendon Road  
Watford  
Herts  
WD17 1HP

**Bankers**                      HSBC  
63 George Street  
Luton  
LU1 2AR

**Solicitors**                  Stone King LLP  
Wellington House  
East Road  
Cambridge  
CB1 1BH

---

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

---

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

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

The Trust operates an academy for pupils aged 11 to 19 serving a catchment area to the western side of Milton Keynes. Students on roll totalled 1,670 as at the Spring School Census 2019. The School commenced the planned pupil expansion in September 2015 effecting an increase in 60 students per year until 2019.

**Structure, governance and management**

**a. Constitution**

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the academy.

The Trustees of The Denbigh Alliance are also the directors of the charitable company for the purposes of company law.

The charitable company is known as The Denbigh Alliance.

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

**b. Members' liability**

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

**c. Trustees' indemnities**

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance is included within the Risk Protection Arrangement (insurance) scheme purchased annually by the Trust.

**d. Method of recruitment and appointment or election of Trustees**

The members of the trust are responsible for the appointment of trustees with the exception of the CEO/Executive Headteacher who is co-opted through his/her position. The number of trustees shall be not less than three and shall be subject to a maximum of 15.

---

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

---

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**Structure, governance and management (continued)**

**e. Policies adopted for the induction and training of Trustees**

Trustees' appointments are based on the skills that they will bring and contribute towards the Trust's future, or based on a proposal to the Trustees, for example to work on a specific project. On appointment, trustees receive information relating to the Trust and Governing Body, attend a briefing and receive an induction pack and training on the role and responsibilities of trustees.

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

**f. Organisational structure**

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

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

- Members (for the Multi Academy Trust)
- Trustees (of the Multi Academy Trust)
- Local Governors (for each school within the Trust, currently Denbigh School, with an Interim Governing Body Committee for the Watling Academy, planned for opening in September 2020).

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

- Standards Committee (covering educational matters, results, and curriculum)
- Resources Committee (covering finance, health and safety, buildings, and human resources)
- Audit and Risk Committee
- Remuneration and Nominations Committee
- Local Governing Body Committees (includes sub-committees for finance and buildings, trips and Student Affairs.

Additionally, an Interim Governing Body Committee has been formed to manage the planned opening of the new Watling Academy.

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

In order to evaluate the needs of the Trust, a sub-committee of Trustees was established in early 2018 to review the Terms of Reference, to ensure good practice and governance following the Trust becoming a multi-academy in 2017. The Terms of Reference remains under continuous review for updating to ensure its relevance and suitability for the Trust.

Following a critical review by Trustees the revised Terms of Reference structure of governance was approved in July 2018. This document determines the overriding structure and governance of the Trust and its schools. It was agreed to maintain the document and its purpose under continuous review, with a formal annual review process in place.

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

The Senior Leadership Team of the Trust includes resources to manage and lead the School Centred Initial

---

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

---

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**Structure, governance and management (continued)**

Teaching Training (SCITT), Teaching School, and Maths Hub. This work includes strategic and financial planning to secure both funding and provide the services required of these divisions, together with operational management.

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

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

The Executive Headteacher/CEO's salary together with the Heads of School and CFO's salaries, is reviewed by the Remunerations and Nominations Committee, who will make recommendations for decisions to the Trust Board.

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

**h. Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

**Percentage of time spent on facility time**

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

**Percentage of pay bill spent on facility time** £

Total cost of facility time	522
Total pay bill	7,628,383
Percentage of total pay bill spent on facility time	- %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	1 %
---	-----

**i. Related parties and other connected charities and organisations**

W G Butler, A P Dransfield, B Hawthorne, J S Howe and S McGuire, are trustees of The Denbigh Alliance, are also directors of Shenley Leisure Centre Trust. The Denbigh Alliance leases the leisure centre to Milton Keynes Council which sub-leases it to the Shenley Leisure Centre Trust for a peppercorn rent. Details of transactions with the trust in the year are disclosed in note 30 to the financial statements.

---

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

---

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**Objectives and activities**

**a. Objects and aims**

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

The Trustees' vision is to create a culture of success to extend lifetime opportunities for young people through an environment of Care, Education and Opportunity. Denbigh School is recognised by Ofsted as a Good School, and as such was one of the first group of schools across the county to be offered the opportunity by the Government to convert to academy status. This opportunity was taken as it offered the School additional freedom and resources to drive the School forward.

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

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

**b. Objectives, strategies and activities**

**The Trust**

The aim of The Denbigh Alliance is to provide the best possible education to students between the ages of 3-19. The Denbigh Alliance will focus on educational establishments within a 10-mile radius of Denbigh School, in schools where it can make a significant difference to the progress and attainment of students through the application of the Denbigh Ethos. The Trust aims to grow at a sustainable pace, and the current intention to grow to no larger than 10 schools by 2025.

To achieve this the Denbigh Alliance will:

- have at least 4 schools as members of the MAT by September 2020, and 5 by September 2021
- ensure that all schools in the MAT are rated "good" or better by OfSTED (note: for schools rated lower on joining the MAT, achieved a "good" or better rating 3 years after joining the MAT, or on their next inspection thereafter).
- maintain a healthy cash reserve position allowing for Alliance project work to be undertaken as necessary.
- work with schools within the MAT to operate a balanced budget, or better, every year.
- maintain its position as the leader in the development of educational ideas, pedagogy and outcomes in Milton Keynes (and wider), fully utilising the Tommy Flowers SCITT, the Denbigh Teaching School Alliance and the Enigma Maths Hub, all of which will be financially self-sustaining and profitable, when measured over a rolling 3-year period.

**Denbigh School**

Student roll - the total number on roll for the period 1st September 2018 to 31st August 2019 was 1,670.

Admissions – Denbigh School is currently over subscribed by a ratio of approximately 3:1 with more than 1,200 applications being received for the 260 available places for the September 2019 year 7 intake. This compares to similar numbers for the previous year (September 2018 intake) at 1,100 applications for 260 places.

Attendance at Denbigh School - the attendance level achieved for the year ending August 2019 was 96% and the School has maintained this level of attendance since 2013.



---

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

---

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**Objectives and activities (continued)**

Permanent exclusions at Denbigh School – there were no permanent exclusions for the year ending August 2019.

Staffing – the average number of (full time equivalent) teaching and admin/support staff employed during the year ended 31st August 2019 was 168 (2018: 174).

Staff turnover was 17% for the year.

**c. Public benefit**

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

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

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

**Strategic report**

**Achievements and performance**

**a. Strategic report**

The Trust (Denbigh School) achieved very strong results in English and Maths in 2019 (the Basics measures), confirming its top position in Milton Keynes. Provisional Progress, as measured by 'Progress 8' was strong at +0.26

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

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

Plans are underway to open Watling Academy in September 2020, Good progress is being made, and a Head of School has been appointed (Mr Ian Bacon). During the year a number of structural changes were made to ensure the Trust is growth ready, and plans are progressing to expand the Trust and its schools over the next few years. The Trust's senior leadership team includes an Executive Headteacher (also a Trustee), Mr A Squires, and an interim appointment Head of School, Dr A Frame.

The Trust has reviewed its non-executive structure, and created Trust and relevant committees, with governing bodies for each School within it to ensure the Trust's governance and leadership structure is in place for the opening of the new Watling Academy and new schools joining.

---

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

---

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**Strategic report (continued)**

**Achievements and performance (continued)**

**b. Key performance indicators**

The School was graded "Good" by Ofsted in 2019.

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

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

The average point scores per entry at Year 13 for vocational qualifications for 2019 was 31.2 (2018 30.5, 2017 30.5) with 100% of the cohort achieving one or more passes.

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

66% of year 11 students choose to study at Denbigh's Sixth Form, and 75% of sixth formers go on to university degree courses.

Attendance levels were recorded at 96% for both 2019 and 2018.

**c. Going concern**

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

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

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Strategic report (continued)**

**Achievements and performance (continued)**

**d. Review of results**

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

KS4 GCSE	2019	2018	2017
A8 score/A*APS	5.28	4.96	5.39
Basics: % 9-4^	78.0%	75.8%	77.6%
% 9-5	60.2%	59.8%	55.6%
Ebacc: APS	4.97	4.58	NA
% 9-4*	41.9%	35.6%	31.6%
% 9-5**	26.7%	23.7%	30.6%

^ 2019/2018 all grades 9-4, 2017 Eng/Ma 9-4, sci, lang and hums A\* - C

^ 2019/2018 all grades 9-5, 2017 Eng/Ma 9-4, sci, lang and hums A\* - C

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

KS5 - A Level	2019	2018	2017
APS per entry score/grade	31.2 ( C )	30.5 ( C )	30.5 ( C )
APS best 3 entries score/grade	32.6 (C+)	31.2 ( C )	31.9 (C+)
% AAB+ in at least 2 facilitating subjects	13.9%	9.6%	13.6%
<b>KS5 Applied General</b>			
APS per entry score/grade	29.7 (me+)	28.6 (Me+)	32.5 (Dis-)
<b>KPIs (DATA)</b>			
FFT5 is used for target setting			

---

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

---

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**Strategic report (continued)**

**Achievements and performance (continued)**

**e. Teaching School**

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

- The SLP has supported 8 secondaries to enable them to develop triple science programmes. These are in Northants, Luton and MK. Impacts include: rewriting of schemes of work in light of CPD; better understanding of requirements of new courses; development of classroom pedagogy to meet the requirements of the new exams, alterations to KS4 whole school curriculum in one school to enable more students to study triple science; increased staff confidence; improved student confidence and progress reported in one of the schools.
- The SLP has provided bespoke support for 6 primaries which has been positively evaluated. Impacts include:
  - o increased staff confidence;
  - o more practical activities used in lesson;
  - o greater range of ideas for working scientifically
- Teaching Schools MK has run SLE designation rounds and training and worked jointly to promote CPD through the Teaching Schools MK newsletter. Oakgrove has supported SSIF bids and initial ideas have been discussed with MKTSA although the differing foci of the bids meant that a deeper level of collaboration was not appropriate.
- The teaching school has worked with the LA, local secondaries, other TSAs, schools from Northants, subject associations and STEM learning to submit SSIF bids in rounds 2 and 3. Despite encouraging feedback from the Regional Schools Commissioner's office, these were not successful. The most recent feedback included this general comment about the process: "this small number of approvals [nationally] represents a ministerial shift towards new priorities and not just the quality of applications received."
- The teaching school has continued to maintain its partnership with the OU, developing a programme to support post-graduate researchers who are interested in teaching. The teaching school will offer a short school experience which include the opportunity to observe a lesson and deliver part of a lesson to year 12/13 students in areas relevant to the students' courses and the researchers' area of expertise. The OU has continued to work with Denbigh to provide the STEM lectures.

In addition the Teaching School will continue to:

- Develop high quality leadership pathways for aspirant leaders
- Further develop its research and development portfolio to inform developments in teaching and learning.
- The Teaching School has been involved in the development of the DFE's workload reduction toolkit. Working alongside schools from the North of England, we devised a range of practical strategies to support teachers and school leaders in making workload more manageable, targeting key areas of difficulty.

**SCITT**

The SCITT has completed its fourth year in September 2019 having had another excellent year.

Trainees continue to be fulsome in their praise for the programme.

Trainee numbers remain strong with 52 planned to begin the programme from September 2019 (see below)

---

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

---

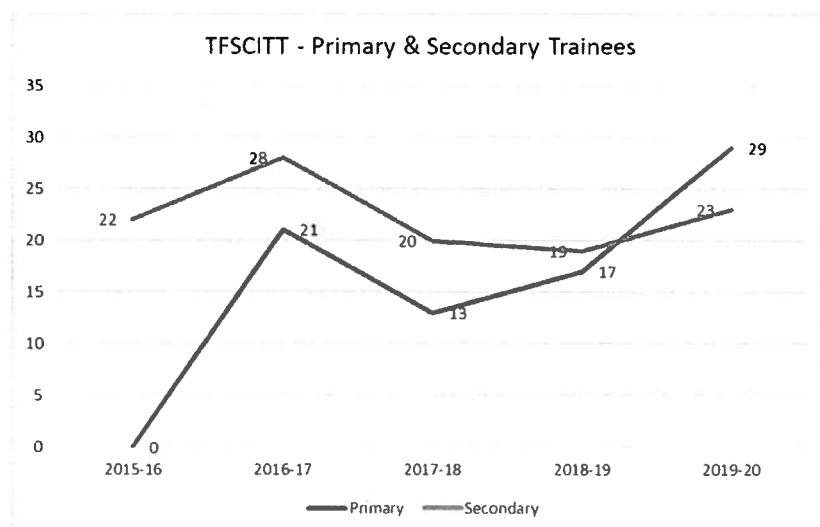
**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**Strategic report (continued)**

**Achievements and performance (continued)**

The TFSCITT was visited by Terry Russell in the role of external moderator. Terry gave the TFSCITT a glowing report and was very impressed with the quality of the training and mentoring provided by the TFSCITT and by the partnership schools. The TFSCITT is rated as 'Outstanding'.



From the 21 secondary trainees (who started courses in 2018), 17 took up employment in Milton Keynes, and 19 completed this secondary course.

From 19 primary trainees, 15 took up employment in MK, with 17 completing the course.

**Maths Hub**

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

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

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

- Embedding a teaching for mastery approach to mathematics teaching in primary schools across the region
- Building expertise in teaching for mastery in secondary schools across the region
- Increasing participation in mathematical courses post 16 including A-level and Core Maths
- Developing pedagogical approaches to teaching mathematics from early years to post 16 including mathematical thinking, resilience, year 5-8 transition, challenging topics at GCSE, subject knowledge

---

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

---

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**Strategic report (continued)**

**Achievements and performance (continued)**

- enhancement and early years.
- Establishing a network of local leaders of mathematics education (LLME) within the region.
- Built leadership capacity across the region by providing professional development opportunities for future Work Group Leads, SLEs and other members of the LLME community.

**Financial review**

**a. Financial review**

The trust's financial position demonstrates total income of £9,500,465 (excluding restricted fixed asset funds) with a deficit at 31 August of £306,032 (excluding restricted fixed asset funds and actuarial gains and losses in the year). The surplus has been allocated to reserves.

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

The School received a Condition Improvement Fund (CIF) grant to replace two astro-turf courts. The work commenced mid August 2018 and was completed in November 2018.

The principal financial management policies adopted in the year are:

- Conducting regular financial reviews of income and expenditure versus planned budgets at the trustees' Resources Committee meetings;
- Consideration as to whether the financial income demonstrates a robust and stable position enabling the provision of sufficient quality resources to fulfil the School's educational obligations;

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

**b. Reserves policy**

The level of reserves held at 31 August total £23,846,980 of which £305,893 are deemed to be free reserves. The reserves will be allocated and spent as part of School Improvement Plan to update, improve and maintain its facilities and resources. Reserves are utilised for capital expenditure projects to ensure the facilities are maintained and updated to the highest standards, and for IT replacement projects.

The academy trust has recognised its share of the Local Government Pension Scheme (LGPS) assets and liabilities in accordance with the applicable Financial Reporting Standard.

---

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

---

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**Strategic report (continued)**

**Financial review (continued)**

At 31 August 2019 the total funds comprised:

	£
Unrestricted	305,893.00
Restricted	
Fixed asset funds	26,651,427.00
Pension Reserve	- 3,596,000.00
Other	485,660.00

The deficit on the pension reserve relates to the non teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 27. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for the use of the general purposes of the academy trust, at the discretion of the trustees. The aim of the trustees is to maintain adequate levels of reserve to meet future working capital requirements.

**c. Investment policy**

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

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

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

**d. Principal risks and uncertainties**

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

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

Key controls to mitigate risks are in place as follows:

1. An organisational structure with defined roles, responsibilities and authorisation levels as contained in the Trust's Terms of Reference document.
2. Terms of reference for the committees of the Trust and Governing Body – a sub-committee was instigated to conduct a full review and revisions were made to the Terms of Reference in order to demonstrate a robust

---

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

---

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**Strategic report (continued)**

**Financial review (continued)**

structure is in place for the Trust and its schools.

3. Financial planning, budgeting and regular management reporting highlighting areas of financial risk
4. Formal written and published policies are in place for employees, and are regularly reviewed and updated
4. Vetting procedures as required by law for the protection of the vulnerable

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

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

**e. Risk Management**

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

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

The review of and adoption of a revised Risk Register and Risk Management Policy

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

Formal agendas and minutes for all committee activity

Principles of the Scheme of Delegation and Terms of reference for all Trustee meetings under the direction of the Board of Trustees.

Pecuniary interests of trustees reviewed and reported at each meeting

Comprehensive budgeting and management reporting to the Resources Committee who make recommendations to the Board of Trustees for approval.

Established organisational structure and clear lines of reporting

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

Clear segregation, authorisation and approval levels

As part of the reorganisation of governance, a Risk and Audit Committee commenced operations in September 2018, and have conducted a review of the Trust's approach to risk including managing and upgrading the Risk



---

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

---

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**Strategic report (continued)**

**Financial review (continued)**

Register and Risk Management Policies, and embedding "risk" into every agenda at Trustee meetings to consider the most significant risks to the organisation, and the approach, direction and action implemented to mitigate.

**Fundraising**

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

The Trust does participate in the National round of capital fund-raising, such as the Condition Improvement Fund, and during the 2018/19 year, was successful in being awarded funds to replace a large area of the main school roof.

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

**Plans for future periods**

**Trust objectives**

The Trust continues with its plans for expansion of the Trust to include an additional number of possible primary and secondary schools joining the Trust over the next 5 years.

Plans are progressing well for the opening of the new Watling Academy in September 2020, along with the detailed work now being undertaken to design and create a teaching and operating structure. Further work is in process and timelines being agreed in terms of procurement of contracts and services, and the recruitment of staff.

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

Plans for developing and improving results and outcomes include the following :

**Teaching and Learning**

To improve the quality and consistency of teaching and learning so that the progress of all students is increased.

Reassess the Curriculum in light of the Curriculum Intent statement, focusing on developing a curriculum which embeds the key concepts to be identified in each subject. To also reassess programmes for each subject so that learning is focused on content, not on terminal exams.

To develop CPD programmes that align with priorities for the Trust, its schools, student and consistency of teaching and learning, in order to improve progress for all groups of students.

To continue to implement and monitor new systems for monitoring teaching and learning and to provide enhanced support and development to optimise student outcomes

---

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

---

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**Plans for future periods (continued)**

**Personal development, behaviour and welfare**

To continue to embed the values of engagement, respect, kindness and to do no harm

**Teaching School objectives**

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

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

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

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

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

**Maths Hub objectives**

Future Maths Hub objectives will be built around a number of Key National collaborative projects and identified local priorities that will be addressed through professional learning activities both in and outside the classroom. A vital part of our work this year will be developing networks of local leaders of mathematics education (LLME) and ensuring that mathematics SLEs are up to date with the latest pedagogical developments.

Below is an example of the National Collaborative projects to be offered by Enigma Maths Hub in 2019/20:

- Primary Mastery Specialists Programme
- China-England Exchange Programme
- Secondary Mastery Specialists Programmes
- NCETM Accredited PD Lead Programmes
- Maths SLE School Improvement Support Programme
- Early Years Work Groups
- Primary Tfm Development work groups
- A number of GCSE focused Maths development groups and workshops
- Supporting Core Mathematics
- Developing Pedagogy in A Level Mathematics

**SCITT Objectives**

The SCITT begins its fifth year in September 2019 after securing significant successes since its inception in September 2015.

The TFSCITT retains its core objectives at the heart of everything that it does;

- To provide a healthy supply of trained teachers for Milton Keynes schools
- To ensure that trainees receive the highest quality training
- The ensure that TFSCITT maintains the highest standards for entry into the teaching profession
- To ensure that the TFSCITT remains financially viable through effective recruitment

---

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

---

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**Plans for future periods (continued)**

Alongside these core aims the TFSCITT will aim this year to;

- Continue to build on its successful recruitment strategy to continue to grow the number of trainees
- Develop and offer a part-time route into teacher training through a Primary Part-time course, starting in September 2020

**Funds held as custodian on behalf of others**

The School operates a School Fund account with a separate accounting system and bank account, for the purpose of managing income and expenditure for trips, activities and other events undertaken for students. The income and expense and fund balances are included in the year end accounts of the academy trust for the year ended 31st August 2019.

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 4 December 2019 and signed on its behalf by:

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

  
.....  
**Mr A P Dransfield**  
Trustee

---

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

---

**GOVERNANCE STATEMENT**

---

**Scope of responsibility**

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

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

**Governance**

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

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

Trustee	Meetings attended	Out of a possible
Mr J S Howe, Chair of Trustees	6	6
Mr A Squires, CEO and Accounting Officer	5	6
Mr W G Butler	3	6
Mr A P Dransfield	6	6
Ms S McGuire	6	6
Mrs D Plumb	4	6
Mr B R Hawthorne	6	6
Mr C Solloway	3	6
Mr A Hornshaw	3	6
Mrs D J Sporn	4	6
Mrs M O'Brien	6	6
Mr J R Cove	3	5

A new Trustee, Mr John Cove, was appointed in October 2018.

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

The Resources Committee is a sub-committee of the main board of Trustees. Its purpose is to oversee the Trust's strategic finance, property and asset management and human resources activities. Its responsibilities include, but are not limited to, the following:

- Develop a financial strategy for the Trust, and consider policies, procedures, plans and controls to ensure it is achieved.
- Ensure the preparation of the Trust and academy/school level budgets, review budget proposals and make recommendations to the Trust.
- Monitor the Trust's income and expenditure throughout the year and ensure that each academy/school is accountable for the achievement of its delegated budget.
- Ensure statutory accounts and reports are prepared in line with the requirements set by Companies House and the ESFA.
- Monitor the Trust's reserves and produce and maintain a plan for maximising the income and benefits from the reserves.

---

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

---

---

**GOVERNANCE STATEMENT (CONTINUED)**

---

**Governance (continued)**

- Monitor the adequacy and effectiveness of the Trust's IT systems and ensure that they are fit for purpose.
- Ensure that appropriate bids are submitted for providing capital funding for maintenance, repairs and improvements to each academy's buildings and grounds.
- Ensure the strategic management and compliance of health and safety on all sites, and the regular review and updating of relevant policies.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr A Squires	3	4
Mr J Howe	4	4
Mr A P Dransfield	4	4
Mr W Butler	2	4
Mr B R Hawthorne	0	4
Mr A Hornshaw	0	4
Mrs D Sporn	1	4
Mr J Cove	3	4
Mrs M O'Brien	4	4
Mrs D Plumb	3	4
Mr C Solloway	0	4

**Review of value for money**

As accounting officer, the CEO has responsibility for ensuring that the academy 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's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate.

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

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

---

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

---

**GOVERNANCE STATEMENT (CONTINUED)**

---

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Denbigh Alliance for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2018 to 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 Trustees.

**The risk and control framework**

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Thompsons MK as internal auditor.

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

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

On a termly basis, the internal auditor reports to the board of Trustees through the Audit and Risk Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

---

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

---

**GOVERNANCE STATEMENT (CONTINUED)**

---

**Review of effectiveness**

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

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

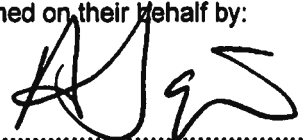
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees and signed on their behalf by:

  
.....

**Mr J S Howe**  
Chair of Trustees

Date: 4 December 2019

  
.....

**Mr A Squires**  
Accounting Officer

---

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

---

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As accounting officer of The Denbigh Alliance I have considered my responsibility to notify the academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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



.....  
**Mr A Squires**

Accounting Officer

Date: 4 December 2019



---

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

---

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of 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 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees and signed on its behalf by:

  
.....  
**Mr J S Howe**  
Chair of Trustees  
Date: 4 December 2019

---

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

---

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
DENBIGH ALLIANCE**

---

**Opinion**

We have audited the financial statements of The Denbigh Alliance (the 'academy') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

---

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

---

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

---

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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

---

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

---

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

---

**Responsibilities of trustees**

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Alexander Bottom ACA (Senior Statutory Auditor)**

for and on behalf of  
**Hillier Hopkins LLP**  
Chartered Accountants  
Statutory Auditor  
Radius House  
51 Clarendon Road  
Watford  
Herts  
WD17 1HP

Date: *11th December 2019*

---

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

---

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

---

In accordance with the terms of our engagement letter 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 The Denbigh Alliance during the year 1 September 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 The Denbigh Alliance and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Denbigh Alliance and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Denbigh Alliance and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of The Denbigh Alliance's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Denbigh Alliance's funding agreement with the Secretary of State for Education 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 year 1 September 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's income and expenditure.

The work undertaken to draw our conclusion includes:

- An assessment of the risk of material misstatement and irregularity across the Academy Trust's activities;
- Testing and review of areas identified through risk assessment including enquiry, observation, inspection and review of supporting evidence;
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime;
- Consideration of evidence obtained through the work performed as part of our financial statements audit in order to support the regularity conclusion.

---

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

---

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

---

**Conclusion**

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



**Hillier Hopkins LLP**

Radius House  
51 Clarendon Road  
Watford  
Herts  
WD17 1HP

Date: 11<sup>th</sup> December 2019

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants	4	-	-	477,748	477,748	176,607
Charitable activities		211,910	8,087,571	-	8,299,481	8,009,032
Teaching schools		-	159,265	-	159,265	195,666
Other trading activities		129,657	899,192	-	1,028,849	793,017
Investments	7	12,870	-	-	12,870	5,022
<b>Total income</b>		<b>354,437</b>	<b>9,146,028</b>	<b>477,748</b>	<b>9,978,213</b>	<b>9,179,344</b>
<b>Expenditure on:</b>						
Raising funds	9	-	864,614	-	864,614	665,612
Charitable activities		240,593	8,567,212	816,783	9,624,588	9,221,621
Teaching schools		-	134,078	-	134,078	157,078
<b>Total expenditure</b>		<b>240,593</b>	<b>9,565,904</b>	<b>816,783</b>	<b>10,623,280</b>	<b>10,044,311</b>
<b>Net income/(expenditure)</b>		<b>113,844</b>	<b>(419,876)</b>	<b>(339,035)</b>	<b>(645,067)</b>	<b>(864,967)</b>
Transfers between funds	21	(123,696)	32,661	91,035	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>(9,852)</b>	<b>(387,215)</b>	<b>(248,000)</b>	<b>(645,067)</b>	<b>(864,967)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	27	-	(505,000)	-	(505,000)	748,000
<b>Net movement in funds</b>		<b>(9,852)</b>	<b>(892,215)</b>	<b>(248,000)</b>	<b>(1,150,067)</b>	<b>(116,967)</b>

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
(CONTINUED)  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
<b>Note</b>					
<b>Reconciliation of funds:</b>					
Total funds brought forward	<b>315,745</b>	<b>(2,218,125)</b>	<b>26,899,427</b>	<b>24,997,047</b>	<i>25,114,014</i>
Net movement in funds	<b>(9,852)</b>	<b>(892,215)</b>	<b>(248,000)</b>	<b>(1,150,067)</b>	<i>(116,967)</i>
<b>Total funds carried forward</b>	<b>305,893</b>	<b>(3,110,340)</b>	<b>26,651,427</b>	<b>23,846,980</b>	<i>24,997,047</i>

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

The notes on pages 34 to 63 form part of these financial statements.



**THE DENBIGH ALLIANCE**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07527108**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	16	25,859,183	26,305,867
<b>Current assets</b>			
Debtors	17	388,526	258,876
Cash at bank and in hand		2,513,081	1,950,561
		<u>2,901,607</u>	<u>2,209,437</u>
Creditors: amounts falling due within one year	18	(1,286,560)	(784,007)
<b>Net current assets</b>		1,615,047	1,425,430
<b>Total assets less current liabilities</b>		<u>27,474,230</u>	<u>27,731,297</u>
Creditors: amounts falling due after more than one year	19	(31,250)	(26,250)
<b>Net assets excluding pension liability</b>		27,442,980	27,705,047
Defined benefit pension scheme liability	27	(3,596,000)	(2,708,000)
<b>Total net assets</b>		<u><u>23,846,980</u></u>	<u><u>24,997,047</u></u>
<b>Funds of the academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	21	26,651,427	26,899,427
Restricted income funds	21	485,660	489,875
		<u>27,137,087</u>	<u>27,389,302</u>
Restricted funds excluding pension asset	21	27,137,087	27,389,302
Pension reserve	21	(3,596,000)	(2,708,000)
<b>Total restricted funds</b>	21	23,541,087	24,681,302
<b>Unrestricted income funds</b>	21	305,893	315,745
<b>Total funds</b>		<u><u>23,846,980</u></u>	<u><u>24,997,047</u></u>

---

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

---

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2019**

---

The financial statements on pages 29 to 63 were approved by the Trustees, and authorised for issue and are signed on their behalf, by:

  
.....  
**Mr J S Howe**  
Chair of Trustees  
Date: 4 December 2019

  
.....  
**Mr A Squires**  
CEO and Accounting Officer

The notes on pages 34 to 63 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	23	<b>439,988</b>	124,420
<b>Cash flows from investing activities</b>	25	<b>116,282</b>	62,932
<b>Cash flows from financing activities</b>	24	<b>6,250</b>	-
<b>Change in cash and cash equivalents in the year</b>		<b>562,520</b>	187,352
Cash and cash equivalents at the beginning of the year		<b>1,950,561</b>	1,763,209
<b>Cash and cash equivalents at the end of the year</b>	26	<u><b>2,513,081</b></u>	<u><b>1,950,561</b></u>

The notes on pages 34 to 63 form part of these financial statements

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**1. General information**

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

**2. Accounting policies**

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

**2.1 Basis of preparation of financial statements**

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Denbigh Alliance meets the definition of a public benefit entity under FRS 102.

**2.2 Going concern**

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

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**2. Accounting policies (continued)**

**2.3 Income**

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

- **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

- **Donations**

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

- **Other income**

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

**2.4 Expenditure**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**2. Accounting policies (continued)**

**2.5 Interest receivable**

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

**2.6 Tangible fixed assets**

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

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

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

Depreciation is provided on the following basis:

Freehold property	-	2% - 2.5%
Furniture and equipment	-	10%
Plant and machinery	-	20%
Computer equipment	-	20%

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.

**2.7 Debtors**

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

**2.8 Cash at bank and in hand**

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

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**2. Accounting policies (continued)**

**2.9 Liabilities**

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

**2.10 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

**2.11 Operating leases**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**2. Accounting policies (continued)**

**2.12 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/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.

**2.13 Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to the students are excluded from the Statement of Financial Activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 30.

**2.14 Fund accounting**

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

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

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

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



---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**3. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 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.

Critical areas of judgment:

**Depreciation and residual values**

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

**4. Income from donations and capital grants**

	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Capital Grants	<u>477,748</u>	<u>477,748</u>	<u>176,607</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**5. Funding for the academy's educational activities**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	-	7,559,003	7,559,003
Pupil Premium	-	172,720	172,720
Rates Relief	-	49,012	49,012
Other ESFA income	-	150,231	150,231
	-	7,930,966	7,930,966
<b>Other government grants</b>			
ISP income	-	143,025	143,025
Other government grants	-	13,580	13,580
	-	156,605	156,605
<b>Other income</b>			
Music income	17,211	-	17,211
Trip income	130,338	-	130,338
Other income	64,361	-	64,361
	211,910	-	211,910
	211,910	8,087,571	8,299,481

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	-	7,274,124	7,274,124
Pupil Premium	-	184,738	184,738
Rates Relief	-	63,956	63,956
Other ESFA income	-	96,607	96,607
	<u>-</u>	<u>7,619,425</u>	<u>7,619,425</u>
<b>Other government grants</b>			
Other government grants	-	158,073	158,073
	<u>-</u>	<u>158,073</u>	<u>158,073</u>
<b>Other income</b>			
Music income	17,993	-	17,993
Trip income	167,909	-	167,909
Other income	45,632	-	45,632
	<u>231,534</u>	<u>-</u>	<u>231,534</u>
	<u><u>231,534</u></u>	<u><u>7,777,498</u></u>	<u><u>8,009,032</u></u>

**6. Income from other trading activities**

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Lettings income	129,657	-	129,657
Maths Hub and SCITT income	-	899,192	899,192
	<u>129,657</u>	<u>899,192</u>	<u>1,028,849</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Lettings income	32,143	-	32,143
Maths Hub and SCITT income	-	760,874	760,874
	<u>32,143</u>	<u>760,874</u>	<u>793,017</u>

**7. Investment income**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Investment income	<u>12,870</u>	<u>12,870</u>	<u>5,022</u>

**8. Expenditure**

	<b>Staff Costs 2019 £</b>	<b>Premises 2019 £</b>	<b>Other 2019 £</b>	<b>Total 2019 £</b>
Expenditure on fundraising trading activities:				
Direct costs	282,734	-	581,880	<b>864,614</b>
Educational Activities:				
Direct costs	5,488,293	-	556,721	<b>6,045,014</b>
Allocated support costs	1,853,646	1,044,959	680,969	<b>3,579,574</b>
Teaching school	85,169	-	48,909	<b>134,078</b>
	<u>7,709,842</u>	<u>1,044,959</u>	<u>1,868,479</u>	<u><b>10,623,280</b></u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

	<i>Staff Costs 2018 £</i>	<i>Premises 2018 £</i>	<i>Other 2018 £</i>	<i>Total 2018 £</i>
Expenditure on fundraising trading activities:				
Direct costs	302,646	-	362,966	665,612
Educational Activities:				
Direct costs	5,385,024	-	611,210	5,996,234
Allocated support costs	1,625,780	1,320,844	278,763	3,225,387
Teaching school	109,939	-	47,139	157,078
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**9. Expenditure on raising funds**

**Other trading expenses**

	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>	<i>Total funds 2018 £</i>
SCITT	113,667	113,667	107,509
Maths Hub	468,213	468,213	255,457
SCITT and Maths Hub staff costs	282,734	282,734	302,646
	<u>          </u>	<u>          </u>	<u>          </u>
	864,614	864,614	665,612
	<u>          </u>	<u>          </u>	<u>          </u>

**10. Analysis of expenditure by activities**

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Educational Activities	6,045,014	3,579,574	9,624,588
	<u>          </u>	<u>          </u>	<u>          </u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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

	<i>Activities undertaken directly 2018 £</i>	<i>Support costs 2018 £</i>	<i>Total funds 2018 £</i>
Educational Activities	5,996,234	3,225,387	9,221,621

**Analysis of support costs**

	<b>Educational Activities 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Pension expense	68,000	68,000	77,000
Staff costs	1,853,646	1,853,646	1,625,780
Depreciation	816,783	816,783	842,277
Technology costs	151,466	151,466	137,721
Premises costs	386,273	386,273	372,347
Other support costs	286,744	286,744	152,640
Governance costs	16,662	16,662	17,622
	3,579,574	3,579,574	3,225,387

**11. Analysis of specific expenses**

Included within expenditure are the following transactions:

	<b>Total £</b>	<b>Individual items above £5,000 Amount £</b>	<b>Reason</b>
Fixed asset losses	4,237	-	

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**12. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets	<b>816,783</b>	<b>842,277</b>
Loss/(Gain) on disposal of fixed assets	<b>4,237</b>	<b>(2,000)</b>
Fees paid to auditors for:		
- audit	<b>9,000</b>	<b>11,000</b>
- other services	<b>4,000</b>	<b>2,100</b>
	<b>=====</b>	<b>=====</b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**13. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	5,479,444	5,221,497
Social security costs	524,588	509,154
Pension costs	1,241,471	1,202,778
	<u>7,245,503</u>	<u>6,933,429</u>
Agency staff costs	96,436	77,355
Teaching school staff costs	367,903	412,605
	<u><u>7,709,842</u></u>	<u><u>7,423,389</u></u>

**b. Staff numbers**

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

	2019 No.	2018 No.
Teachers	92	94
Admin and support staff	99	94
Management Staff	13	12
	<u>204</u>	<u>200</u>

**c. Higher paid staff**

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	6	3
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	1	-
In the band £110,001 - £120,000	1	1
	<u><u>10</u></u>	<u><u>6</u></u>



---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**13. Staff costs (continued)**

**d. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £971,312 (2018: £497,560).

**14. Trustees' remuneration and expenses**

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

			2019	2018
			£	£
Mr A Squires	Remuneration	110,000 - 115,000	110,000 - 115,000	
	Pension contributions paid	15,000 - 20,000	10,000 - 15,000	

During the year, retirement benefits were accruing to 1 Trustees (2018 - 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £0).

**15. Trustees' and Officers' insurance**

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**16. Tangible fixed assets**

	Freehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 September 2018	30,381,182	983,674	222,447	985,629	32,572,932
Additions	295,435	11,787	-	67,114	374,336
Disposals	-	-	-	(7,912)	(7,912)
At 31 August 2019	<u>30,676,617</u>	<u>995,461</u>	<u>222,447</u>	<u>1,044,831</u>	<u>32,939,356</u>
<b>Depreciation</b>					
At 1 September 2018	4,439,644	894,787	116,762	815,872	6,267,065
Charge for the year	658,686	44,356	15,079	98,662	816,783
On disposals	-	-	-	(3,675)	(3,675)
At 31 August 2019	<u>5,098,330</u>	<u>939,143</u>	<u>131,841</u>	<u>910,859</u>	<u>7,080,173</u>
<b>Net book value</b>					
At 31 August 2019	<u>25,578,287</u>	<u>56,318</u>	<u>90,606</u>	<u>133,972</u>	<u>25,859,183</u>
At 31 August 2018	<u>25,941,538</u>	<u>88,887</u>	<u>105,685</u>	<u>169,757</u>	<u>26,305,867</u>

**17. Debtors**

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	90,858	21,350
Other debtors	49,111	24,268
Prepayments and accrued income	248,557	213,258
	<u>388,526</u>	<u>258,876</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**18. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Other loans	5,000	3,750
Trade creditors	493,985	301,027
Other taxation and social security	135,764	129,135
Other creditors	123,239	96,738
Accruals and deferred income	528,572	253,357
	<u>1,286,560</u>	<u>784,007</u>
	2019 £	2018 £
Deferred income at 1 September 2018	80,551	51,894
Resources deferred during the year	182,047	80,551
Amounts released from previous periods	(80,551)	(51,894)
	<u>182,047</u>	<u>80,551</u>

Deferred income held at the balance sheet date includes Grant income and trip income relating to the 2019/20 academic year.

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

	2019 £	2018 £
Other loans	<u>31,250</u>	<u>26,250</u>

The loans include two separate salix loan agreements with ESFA and are both repayable over 8 years.

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

**20. Financial instruments**

	2019 £	2018 £
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	<b>2,513,081</b>	1,950,561
Financial assets that are debt instruments measured at amortised cost	<b>196,474</b>	86,286
	<u><b>2,709,555</b></u>	<u>2,036,847</u>
	2019 £	2018 £
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u><b>(817,719)</b></u>	<u>(600,571)</u>

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise other loans, trade creditors, other creditors and accruals.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**21. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General Fund	315,745	354,437	(240,593)	(123,696)	-	305,893
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	7,559,003	(7,591,664)	32,661	-	-
Pupil Premium	-	172,720	(172,720)	-	-	-
Rates Relief	-	49,012	(49,012)	-	-	-
Other ESFA income	71,850	150,231	(208,927)	-	-	13,154
Local authority	5,284	156,605	(161,889)	-	-	-
S.C.I.T.T	89,340	347,430	(314,942)	-	-	121,828
Teaching School	200,746	159,265	(134,078)	-	-	225,933
Maths Hub	122,655	551,762	(549,672)	-	-	124,745
Pension reserve	(2,708,000)	-	(383,000)	-	(505,000)	(3,596,000)
	<u>(2,218,125)</u>	<u>9,146,028</u>	<u>(9,565,904)</u>	<u>32,661</u>	<u>(505,000)</u>	<u>(3,110,340)</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed asset fund	26,302,867	-	(816,783)	373,099	-	25,859,183
DFC	-	118,739	-	(95,206)	-	23,533
ESFA Capital	266,896	-	-	(16,903)	-	249,993
Healthy Students - CIF	91,660	-	-	(91,660)	-	-
CIF - Roof	-	359,009	-	(78,295)	-	280,714
New build grant	238,004	-	-	-	-	238,004
	<u>26,899,427</u>	<u>477,748</u>	<u>(816,783)</u>	<u>91,035</u>	<u>-</u>	<u>26,651,427</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**21. Statement of funds (continued)**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Total Restricted funds</b>	<b>24,681,302</b>	<b>9,623,776</b>	<b>(10,382,687)</b>	<b>123,696</b>	<b>(505,000)</b>	<b>23,541,087</b>
<b>Total funds</b>	<b>24,997,047</b>	<b>9,978,213</b>	<b>(10,623,280)</b>	<b>-</b>	<b>(505,000)</b>	<b>23,846,980</b>

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

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

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

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

The pension reserve represents the net deficit on the LGPS defined benefit pension scheme. The deficit arose because of the pension scheme deficit inherited upon conversion. Future GAG funding agreed by the ESFA is expected to be sufficient to take the fund back into surplus.

The restricted fixed asset fund includes the freehold property and all other fixed assets. Depreciation charged on the assets is allocated to the fund. The transfer of unrestricted funds to the fixed asset reserve fund represents the spending of unrestricted monies for fixed asset additions.

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

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**21. Statement of funds (continued)**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**21. Statement of funds (continued)**

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
<b>Total funds</b>	<b>25,114,013</b>	<b>9,179,344</b>	<b>(10,044,310)</b>	<b>-</b>	<b>748,000</b>	<b>24,997,047</b>

**22. Analysis of net assets between funds**

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

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>
Tangible fixed assets	-	-	25,859,183	<b>25,859,183</b>
Current assets	392,375	1,716,988	792,244	<b>2,901,607</b>
Creditors due within one year	(86,482)	(1,200,078)	-	<b>(1,286,560)</b>
Creditors due in more than one year	-	(31,250)	-	<b>(31,250)</b>
Provisions for liabilities and charges	-	(3,596,000)	-	<b>(3,596,000)</b>
<b>Total</b>	<b>305,893</b>	<b>(3,110,340)</b>	<b>26,651,427</b>	<b>23,846,980</b>

**Analysis of net assets between funds - prior year**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Restricted fixed asset funds 2018 £</b>	<b>Total funds 2018 £</b>
Tangible fixed assets	-	-	26,305,867	<b>26,305,867</b>
Current assets	315,745	1,300,132	593,560	<b>2,209,437</b>
Creditors due within one year	-	(784,007)	-	<b>(784,007)</b>
Creditors due in more than one year	-	(26,250)	-	<b>(26,250)</b>
Provisions for liabilities and charges	-	(2,708,000)	-	<b>(2,708,000)</b>
<b>Total</b>	<b>315,745</b>	<b>(2,218,125)</b>	<b>26,899,427</b>	<b>24,997,047</b>



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**23. Reconciliation of net expenditure to net cash flow from operating activities**

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(645,067)	(864,967)
<b>Adjustments for:</b>		
Depreciation	816,783	842,277
Capital grants from DfE and other capital income	(477,748)	(176,607)
Interest receivable	(12,870)	(5,022)
Defined benefit pension scheme cost less contributions payable	315,000	319,000
Defined benefit pension scheme finance cost	68,000	77,000
Increase in debtors	(129,650)	(74,432)
Increase in creditors	501,303	7,171
Loss on sale of fixed assets	4,237	-
<b>Net cash provided by operating activities</b>	<b>439,988</b>	<b>124,420</b>

**24. Cash flows from financing activities**

	2019 £	2018 £
Cash inflows from new borrowing	10,000	-
Repayments of borrowing	(3,750)	-
<b>Net cash provided by financing activities</b>	<b>6,250</b>	<b>-</b>

**25. Cash flows from investing activities**

	2019 £	2018 £
Dividends, interest and rents from investments	12,870	5,022
Purchase of tangible fixed assets	(374,336)	(118,697)
Capital grants from DfE Group	477,748	176,607
<b>Net cash provided by investing activities</b>	<b>116,282</b>	<b>62,932</b>

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**26. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	<u>2,513,081</u>	<u>1,950,561</u>

**27. Pension commitments**

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

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

Contributions amounting to £115,968 were payable to the schemes at 31 August 2019 (2018 - £ -) and are included within creditors.

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies 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 2016 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 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**27. Pension commitments (continued)**

The new employer contribution rate is applicable from 1 April 2019 and will be implemented for the TPS from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £664,108 (2018 - £637,463).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £341,000 (2018 - £315,000), of which employer's contributions totalled £263,000 (2018 - £243,000) and employees' contributions totalled £ 78,000 (2018 - £72,000). The agreed contribution rates for future years are 20% per cent for employers and 5.5 - 12.5% per cent for employees.

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

**Principal actuarial assumptions**

	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	<b>3.7</b>	3.8
Rate of increase for pensions in payment/inflation	<b>2.2</b>	2.3
Discount rate for scheme liabilities	<b>1.85</b>	2.65

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

	<b>2019</b>	<b>2018</b>
	<b>Years</b>	<b>Years</b>
<i>Retiring today</i>		
Males	<b>22.9</b>	24.0
Females	<b>24.8</b>	26.1
<i>Retiring in 20 years</i>		
Males	<b>24.6</b>	26.3
Females	<b>26.7</b>	28.5

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**27. Pension commitments (continued)**

**Sensitivity analysis**

	2019 £000	2018 £000
Discount rate +0.1%	(179)	(492)
Discount rate -0.1%	183	516
Mortality assumption - 1 year increase	292	520
Mortality assumption - 1 year decrease	(282)	(488)
CPI rate +0.1%	167	516
CPI rate -0.1%	(163)	(492)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	2,340,000	2,007,000
Gilts	511,000	450,000
Other bonds	619,000	469,000
Property	297,000	280,000
Cash and other liquid assets	140,000	229,000
Alternative assets	29,000	31,000
Hedge funds	222,000	177,000
Absolute return portfolio	198,000	180,000
<b>Total market value of assets</b>	<b>4,356,000</b>	<b>3,823,000</b>

The actual return on scheme assets was £340,000 (2018 - £119,000).

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

	2019 £	2018 £
Current service cost	(507,000)	(559,000)
Past service cost	(68,000)	-
Interest income	104,000	93,000
Interest cost	(172,000)	(170,000)
Administrative expenses	(3,000)	(3,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(646,000)</b>	<b>(639,000)</b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**27. Pension commitments (continued)**

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

	2019 £	2018 £
<b>At 1 September</b>	<b>6,531,000</b>	<b>6,528,000</b>
Current service cost	507,000	559,000
Interest cost	172,000	170,000
Employee contributions	78,000	72,000
Actuarial losses/(gains)	741,000	(722,000)
Benefits paid	(145,000)	(76,000)
Past service costs	68,000	-
<b>At 31 August</b>	<b>7,952,000</b>	<b>6,531,000</b>

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

	2019 £	2018 £
<b>At 1 September</b>	<b>3,823,000</b>	<b>3,468,000</b>
Interest income	104,000	93,000
Actuarial gains	236,000	26,000
Employer contributions	263,000	243,000
Employee contributions	78,000	72,000
Benefits paid	(145,000)	(76,000)
Administration costs	(3,000)	(3,000)
<b>At 31 August</b>	<b>4,356,000</b>	<b>3,823,000</b>

**28. Operating lease commitments**

At 31 August 2019 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	24,450	13,751
Later than 1 year and not later than 5 years	21,576	13,751
	<b>46,026</b>	<b>27,502</b>

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**29. Members' liability**

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

**30. Related party transactions**

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

Facilities of Shenley Leisure Centre are shared between the academy and Shenley Leisure Centre Trust Limited where five people are trustees of both entities. During the year the academy received income of £128,741 (2018: £48,003) in relation to lettings income and recharging the utility costs of the shared access areas. The academy also paid £7,050 (2018: £5,266) to Shenley Leisure Centre Trust Limited as their share of any repairs and cleaning costs incurred.

A close family member of A Squires, a trustee, is employed by the Academy Trust as a Teacher. The appointment was made in open competition and A Squires was not involved in the decision making process regarding the appointments. The individual concerned is paid within the normal pay scale for their role, and they receive no special treatment as a result of their relationship to a trustee.

**31. Agency arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the trust received £35,986 (2018: £34,137) and disbursed £29,543 (2018: £22,454) from the fund. An amount of £18,891 (2018: £12,448) is included in other creditors relating to undistributed funds.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**32. Teaching school Trading account**

	2019 £	2019 £	2018 £	2018 £
<b>Income</b>				
Teaching school income		159,265		195,666
<b>Expenditure</b>				
<b>Direct expenditure</b>				
Direct staff costs	85,169		109,939	
Course costs	45,825		42,451	
<b>Total direct expenditure</b>	<u>130,994</u>		<u>152,390</u>	
<b>Other expenditure</b>				
Staff training	-		439	
Catering costs	1,387		-	
Travel costs	533		832	
Advertising costs	100		-	
Audit fees	1,064		2,792	
Other costs	-		625	
<b>Total other expenditure</b>	<u>3,084</u>		<u>4,688</u>	
<b>Total expenditure</b>		134,078		157,078
<b>Surplus from all sources</b>		25,187		38,588
<b>Teaching school balances at 1 September 2018</b>		200,746		162,158
<b>Teaching school balances at 31 August 2019</b>		<u><u>225,933</u></u>		<u><u>200,746</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**33. Maths Hub Trading account**

	2019 £	2018 £
<b>Income</b>		
Maths Hub income	551,762	443,322
<b>Direct costs</b>		
Staff costs	81,459	111,291
Course costs	460,491	246,358
	<u>541,950</u>	<u>357,649</u>
<b>Support costs</b>		
Travel	1,498	5,676
Catering	-	1,838
Audit fees	-	933
Advertising	882	-
Other	5,342	652
	<u>7,722</u>	<u>9,099</u>
<b>Surplus for the year</b>	<u>2,090</u>	<u>76,574</u>
Maths Hub balances at 1 September 2018	122,655	46,081
<b>Maths Hub balances at 31 August 2019</b>	<u><u>124,745</u></u>	<u><u>122,655</u></u>



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**34. S.C.I.T.T. Trading account**

	2019 £	2019 £	2018 £	2018 £
<b>Income</b>				
SCITT income	347,430		323,332	
	<u>347,430</u>		<u>323,332</u>	
		<b>347,430</b>		<b>323,332</b>
<b>Direct costs</b>				
Staff costs	201,275		191,355	
Course costs	100,447		84,600	
	<u>301,722</u>		<u>275,955</u>	
		<b>301,722</b>		<b>275,955</b>
<b>Support costs</b>				
Staff training	950		1,658	
Catering	945		-	
Travel	961		664	
Advertising	7,486		5,662	
Audit fees	1,000		2,125	
Other	1,878		12,800	
	<u>13,220</u>		<u>22,909</u>	
		<b>13,220</b>		<b>22,909</b>
<b>Surplus from all sources</b>	<u>32,488</u>		<u>24,468</u>	
S.C.I.T.T. balances at 1 September 2018	89,340		64,872	
<b>S.C.I.T.T. balances at 31 August 2019</b>	<u><u>121,828</u></u>		<u><u>89,340</u></u>	