Company Registration Number: 07527108 (England & Wales)

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

THE DENBIGH ALLIANCE

(A Company Limited by Guarantee)

CONTENTS

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr A Dransfield (resigned 9 November 2020)
Mr S McGuire
Mr T Naylor
Mrs G Ferrari
Mr D Lock

Trustees

Mr J S Howe (resigned 25 November 2020)
Mr A Squires, CEO
Mr W G Butler
Mr A P Dransfield (resigned 1 February 2021)
Ms S McGuire, (appointed Chair of Trustees 25 November 2020, resigned as Chair 6th September 2021)
Mrs D Plumb (resigned 13 November 2020)
Mr B R Hawthorne (resigned 16 November 2020)
Mr D J Sporn (resigned 13 November 2020)
Mrs M O'Brien
Mr J R Cove, Chair of Trustees
Mr W Preen (appointed 24 February 2021)
Mr J Hand (appointed 24 February 2021)
Mrs J Stayte (appointed 28 April 2021, resigned 25 October 2021)
Mrs M Jones (appointed 28 April 2021)
Mr J Giles (appointed 28 April 2021)
Mr A Ashmore (appointed 1 July 2021)

Company registered number

07527108

Company name

The Denbigh Alliance

Principal and registered office

Burchard Crescent
Shenley Church End
Milton Keynes
MK5 6EX

Chief executive officer

Mr A Squires

Senior management team

Mr A Squires, CEO
Mr I Bacon, Head of School, Watling Academy
Dr A Frame, Head of Denbigh School
Mrs S North, CFO (resigned 30th November 2020)
Mrs S Bebbington, CFO (appointed 30th November 2020, resigned 16th August 2021)
Mr I Joyce, CFO (appointed 16th August 2021)

Independent auditor

MHA MacIntyre Hudson
Chartered Accountants
Peterbridge House
The Lakes
Northampton
NN4 7HB

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Bankers	HSBC 63 George Street Luton LU1 2AR
Solicitors	Stone King LLP Wellington House East Road Cambridge CB1 1BH

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. 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 Denbigh School, and the recently opened Watling Academy, for pupils aged 11 to 18 serving a catchment area to the western side of Milton Keynes. Students on roll totalled 1,745 at Denbigh School and 180 at Watling Academy as at the Spring School Census 2021.

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee (registered number 7527108) and an exempt charity.

The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust. The Denbigh Alliance became a Multi Academy Trust converting from its previous status of converter academy and Denbigh School on 18 March 2017.

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 currently includes Denbigh School and Watling Academy.

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

b. Members' liability

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

c. Trustees' indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance is covered within the Trust's risk protection arrangements, which totalled £34,938.

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

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

Provision is made for 2 local parent Governors and two staff Governors on each established Local Governing Body who will be appointed through an election process directed by the Local Governing Body. In the event that these positions are not filled, the Trustees are able to appoint to these positions.

e. Policies adopted for the induction and training of Trustees

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

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

f. Organisational structure

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

The governance and organisational structure (effective from July 2018) is as follows:

Members (for the Multi Academy Trust)
Trustees (of the Multi Academy Trust)
Local Governing Bodies (for each school within the Trust, currently Denbigh School and Watling Academy which opened on 1st September 2020.

The Committees of the Trust are as follows, and replace the previous committee structure from September 2021:

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

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

This Trust Board Terms of Reference determine 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 with objectives and timelines as directed by trustees.

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

Structure, governance and management (continued)

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

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

The CEO's salary together with the Heads of School and CFO's salaries, is reviewed by and approved by the Trust Board.

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

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	212	
Total pay bill	10,163,421	
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

WG Butler is a Trustee of the Denbigh Alliance. AP Dransfield and JS Howe were Trustees of the Denbigh Alliance until the point of their resignations. These three were also directors of Shenley Leisure Centre Trust. The Academy Trust leases the leisure centre to Milton Keynes Council, who in turn, sub-let to the Shenley Leisure Centre Trust for a peppercorn rent. Details of transactions with the trust in the year are disclosed in note 29 to the financial statements.

Objectives and activities

a. Objects and aims

The Trust's object is to support continual school improvement, raise outcomes, encourage staff development and training whilst planning for measured growth over the next five years.

The Trust's vision is to create a culture of success to extend lifetime opportunities for students and to do everything possible to encourage and succeed in providing this first-class educational experience. At the core of the Denbigh Alliance Multi Academy Trust are the values of Care, Education and Opportunity for young people.

Students are offered a supportive, positive, and dynamic learning environment that enables them to focus on their studies and extracurricular activities. As a result, students will 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.

Denbigh School is recognised by Ofsted as a Good School (2019), previously outstanding 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 determine the way forward.

Watling Academy, which opened in September 2020 participated in a day long, online pre-opening Ofsted inspection which achieved the best outcome possible and is embedding the Care, Education and Opportunity values into every aspect of the foundation of the school. The school was deemed ready to open with all the necessary measures in place to satisfy the Secretary of State for Education.

b. Objectives, strategies and activities

The Trust's objective for the year ended 31st August 2021 was to raise the attainment level of all students through care and wellbeing, curriculum structure, teaching and learning, and leadership development.

Student roll - the total number on roll for the period 1st September 2020 to 31st August 2021 was 1,925. This includes 449 in the Sixth Form, making it the largest school sixth form in Milton Keynes.

Admissions – Denbigh School is currently oversubscribed by a ratio of approximately 4:1 with more than 1,150 applications being received. In fact, almost one in every three Year 6 pupils applies for a school within the trust, which compares to previous years. Watling Academy also had strong admission numbers, comfortably filling to the agreed PAN of 180 in Year 1.

Attendance - the attendance level achieved for the year ending August 2021 was 94%, previous year 95%. Permanent exclusions – there was one permanent exclusion during the year ending August 2021.

Staffing - the average number of (full time equivalent) teaching and admin/support staff employed during the year ended 31 August 2021 was 205 (2020: 168).

Staff turnover was 9% for the year.

Objectives and activities (continued)

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.

d. Covid-19 report

Trust Strategic approach

The Trust took a proactive stance in advising both schools during the year. Robust remote learning provision was in place to support students with their studies, to mitigate against any lost learning. Pastoral care was prioritised during this time and plans for catchup were instigated, particularly for exam year groups.

The CEO worked with the Head of School to update a comprehensive Risk Assessment throughout the year. Changes made during the year were approved by the Board. Risk assessments have been shared with all appropriate stakeholders via the website and updated regularly to keep pace with the changing nature of DfE advice.

Denbigh School Covid report

We started September 2020 with the hope that we would be able to have a relatively normal year of school. A number of measures were put in place such as one-way systems, staggered, start times, breaks and lunches and end times with multiple entry and exit doors being used by students. Students wore coloured badges to identify their year group and, as far as possible, year groups were timetabled into specific areas of the school to reduce interaction across year groups. Social areas were identified for each year group as well.

These measures worked well in keeping transmissions down for the first half term. In the second half term numbers rose quite rapidly and we carried out tracing exercises for a number of students and staff, isolating groups, classes and, at times, whole year groups of students.

Year 11 PPEs went ahead, following a two-week isolation period intended to reduce the absences. This worked with very few students missing the exam period.

From January 2021 the school went back into Lockdown and remote education was restarted. During this lockdown we delivered live lessons or recorded video lessons via Teams to all students in all subjects. Homework was submitted via Teams, and assessment also took place using Teams. Generally, the remote education went very well with many positive comments by parents and students. Occasional problems were dealt with. Tutors, and teaching assistants continued to contact students and help them to engage as did Pastoral and Progress leaders, working hard with the minority of students who were finding it very difficult to engage with the work. Laptops were issued to students, supplied by the DfE, to enable them to take part in the remote education.

Free School Meal vouchers were made available to all parents in receipt of Free School Meals, using the nationally provided offering, supporting around 160 students.

Objectives and activities (continued)

The school continued to offer full days of care and provision for vulnerable students and those whose parents were on the frontline of the COVID response as critical care workers.

Once the children returned to school, we continued to offer remote education to those who were isolating alongside face-to-face teaching. Mask wearing was compulsory in communal areas and later, in classrooms as well. All other measures remained in place to the end of the year.

GCSE and A Level examinations were cancelled and students were assessed using a Teacher Assessed Grade (TAG). Systems and procedures were put in place to comply with OfQual requirements, and all deadlines were met.

Watling Academy Covid Report

Throughout the pandemic all students continued to receive a first class education either on-site or through a structured remote learning programme. The progress of students was carefully monitored to ensure that gaps in learning were addressed through in school intervention and use of the National Tutoring Programme.

Strategic report

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

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

During the year, a number of structural changes were made to ensure the Trust is growth ready, and plans are underway to expand the size of the Trust and its schools over the next few years. The Trust senior management team includes a CEO (also a Trustee), Mr Andy Squires, and two Heads of Schools, for Denbigh School, Dr Andrea Frame, and for Watling Academy, Mr Ian Bacon.

The Trust has reviewed its non-executive structure, and created Trust and relevant committees, with Local School Boards for each School within it to ensure the Trust's governance and leadership structure is in place for the two schools under management of the Trust.

Currently, the Denbigh Alliance MAT consists of two schools, Denbigh School and Watling Academy. Denbigh School is a large secondary school on the western flank of Milton Keynes. It has 1301 pupils in the main school and has the largest school Sixth Form in Milton Keynes with 444 students. Denbigh is rated OfSTED Good and is also the top performing school in Milton Keynes at both A Level and GCSE.

Denbigh School continues to thrive as part of the trust, maintaining its popularity within the local and wider community, as the most over-subscribed secondary school in Milton Keynes. Results will continue to top the Milton Keynes performance tables and place consistently in the top 20% of those nationally.

Watling Academy as a new Free School, opened in September 2020 on the western flank of Milton Keynes and is based on the Whitehouse development. A strategic and operational plan was put in place to ensure the successful opening and all major milestones were achieved, welcoming the year 7 cohort of 180 students on 7th September. The Head of Watling Academy is Mr Ian Bacon, previously Senior Deputy Headteacher at Denbigh School. The curriculum offered at Watling is rich and deep, and has a strong STEM flavour, responding to local and national needs. Once full it will accommodate 1800 pupils aged 11-16.

Strategic report (continued)

(continued)

Watling Academy has quickly established itself as a school of choice in Milton Keynes, rivalling Denbigh. It will, through its clear STEM focus, lead the way in innovative curriculum experiences supporting the highest achievements of pupils. 180 students started at Watling Academy in September 2020, the cohort expanding to 300 in 2021 and 360 in 2022. In support of the school, the Trust will continue to work with Milton Keynes Council to ensure that the new build premises are of high quality and will allow the school to fulfil its mission to provide the highest quality of care, education and opportunity, in line with the aims of the Trust.

As a Trust, we are ambitious, and have a determination to spread the Denbigh ethos to as many local schools as possible to improve the life chances of an increasing group of young people in and around Milton Keynes.

Examination grades for GCSE, AS and A-Levels – Denbigh School

Denbigh School was asked to provide to the Examination Boards the Teacher Assessment Grade (TAG) for each student, in each subject across all levels of qualification. A huge amount of work went into this process to provide the most accurate return. Students received their grades on the scheduled dates in August of 12th for GCSE (Level 2 qualifications) and 10th for A- Level (Level 3 qualifications).

Denbigh School performance dropped very slightly overall (-0.09) when comparing APS for 2021 with APS for 2020. There has been an improvement in APS in Basics at 4+ (students passing both English and Maths) with a slight fall in the Basics 5+ figures. Performance in the EBacc element has improved at both 4+ and 5+ grades when compared with 2020 and 2019. No performance figures will be published therefore the Trust retains its top position in Milton Keynes. There are no P8 figures for 2021, however, it has been decided that P8 figures will be released in 2022.

Review of results

Note that 2021 data is determined from internal marking and assessments. There is no official 2021 examinations performance data due to the Government's decision to cancel both GCSE and A level examinations. This data is not available to OFSTED.

KS4 - GCSE	2021	2020	2019
A8 score/A*APS	5.24	5.33	5.28
Basics% 4+	81.5%	80.8%	78.0%
% 5+	59.1%	56.5%	60.5%
EbaccAPS	4.89	4.90	4.99
% 4+	45.2%	38.8%	42.1%
% 5+	33.6%	26.9%	26.3%

KS5 - A Level	2021	2020	2019
APS per entry score/grade	36.17 (B-)	34.16 (C)	30.13 (C)
APS best 3 entries score/grade	38.53 (B)	36.14 (C+)	32.93 (C)
% AAB+ in at least 2 facilitating subjects	18.8%	16.5%	14.5%

Strategic report (continued)

(continued)

a. Key performance indicators

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

The following are areas which are considered:

Education Committee

- Ofsted grade, annual Review grade, Pupil absence data, including persistent absenteeism, Permanent Exclusions Total, Fixed Term Suspensions Total, Parent, staff and pupil survey data illustrates satisfaction. Admissions - The number of first choice applications. Aptitude Test – applications Admissions- Number of Sixth Form applications (internal and external) against actual take up of places. Phonics screening check 80% and above 80% of children to attain age related standards by end of KS2 within Reading, Writing and Maths;
- Expected progress in RWM Attainment 8;
- Progress 8;
- EBacc Average points score and % Entering EBacc;
- Grade 5 and above in English and Maths (Basics) A Level progress score;
- A Level Average grade;
- A Level Average points;
- Average class size (Main school);
- Average class size (Sixth Form);
- Achieving AAB equivalent or higher in at least 2 facilitating subjects;
- Grade and points for students best three A Levels;
- Year 11 Destination - % Not in Education, Employment, Training [NEET].

Operations Committee

- Spend on teaching staff as a % of total expenditure;
- Spend on supply staff as a % of total expenditure;
- Spend on education support staff as a % of total expenditure;
- Spend on administrative and clerical staff as a % of total expenditure;
- Spend on other staff costs as a % of total expenditure;
- Spend on premises (including staff costs) as a % of total expenditure;
- Spend on teaching resources as a % of total expenditure;
- Spend on energy as a % of total expenditure;
- Other spending as a % of total expenditure (balancing line);
- Average teacher cost (£);
- Senior leaders as a % of workforce;
- Pupil to teacher ratio;
- Pupil to adult ratio;
- Teacher contact ratio (less than 1.0);
- In-year balance as a percentage of total income;
- Revenue reserve as a percentage of total income;
- Budgeted in year surplus/deficit;
- Posts advertised twice;
- Retention of RQTs;
- RIDDOR referrals;
- Financial probity: red flags;
- How much do we spend on staff development and courses?;
- Pupil income per student over time;

Strategic report (continued)

(continued)

- Number of Teachers on M6 and above;
- Grant funding awarded;
- Free cash reserves year on year;
- Lettings income.

Care Committee

- Absence Teachers (days & %s);
- Absence Support (days & %s);
- Absence Teachers (days & %s);
- Absence Support (days & %s);
- Staff male and female ratio (gender pay gap);
- Safeguarding incidents (These are referrals made to MASH).

Governance – 100% skills coverage

Full Board

- Ofsted grade;
- Annual review grade;
- Safeguarding incidents;
- Well-being;
- Number on roll;
- Financial probity: no red flags.

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 20 grading system (representing the top 20% of schools nationally) as a starting point for setting student targets.

Average point score per entry (APS) for academic subjects was 36.31 in 2021 (34.4 in 2020 and 31.69 in 2019). It should be remembered that 2019 was the last year that exams were taken. 2020 and 2021 grades were given by teachers due to COVID. Academic subjects include all A Levels

Average point score for applied general subjects was 34.99 in 2021 (32.16 in 2020 and 29.68 in 2019). Applied general subjects include BTEC courses and Finance qualifications

	2021	2020	2019
Academic			
APS	36.31	34.4	31.69
APS as a grade	B-	C+	C+
Number of students	211	218	189
Applied General			
APS	34.99	32.16	29.68
APS as a grade	Dist=	Dist-	M+
Number of students	59	56	54

Strategic report (continued)

(continued)

79% of Year 11 students choose to study at Denbigh's Sixth Form (68% accepted the place), and 94% of sixth formers secured a place at University/went on to university degree courses. Denbigh has the largest school Sixth Form in Milton Keynes with 464 students.

Staff have been very impressed with the whole Sixth Form cohort and their attitude and resilience during Covid-19 and lockdown. The whole period saw a massive drop-off in the number of apprenticeship vacancies/opportunities (hence our % applying to University). This has already changed as the recovery kicks in.

Attendance levels were recorded at 92.1% for Yr 7 – 11 (01/09/2020 – 31/08/2021) compared to 95% in 2019/2020, however total attendance for Yr 7 – 10 01/09/2020 – 31/08/2021 AND Year 11 01/09/2020 – 29/05/2021 (Half Term) was 94.1% (Note: students on study leave are marked as authorised absence). Census data would only usually collect Yr 11 data up to half term so that is reflected in the second figure.

Watling Academy

Watling Academy as a new Free School, opened in September 2020 on the western flank of Milton Keynes and is based on the Whitehouse development. A strategic and operational plan was put in place to ensure the successful opening and all major milestones were achieved, welcoming the year 7 cohort of 180 students on 7th September. The Head of Watling Academy is Mr Ian Bacon, previously Senior Deputy Headteacher at Denbigh School. The curriculum offered at Watling is rich and deep, and has a strong STEM flavour, responding to local and national needs. Once full it will accommodate 1800 pupils aged 11-16.

Watling Academy has quickly established itself as a school of choice in Milton Keynes, rivalling Denbigh. It will, through its clear STEM focus, lead the way in innovative curriculum experiences supporting the highest achievements of pupils. 180 students started at Watling Academy in September 2020, the cohort expanding to 300 in 2021 and 360 in 2022. In support of the school, the Trust will continue to work with Milton Keynes Council to ensure that the new build premises are of high quality and will allow the school to fulfil its mission to provide the highest quality of care, education and opportunity, in line with the aims of the Trust.

Throughout the pandemic all students continued to receive a first class education either on-site or through a structured remote learning programme. The progress of students was carefully monitored to ensure that gaps in learning were addressed through in school intervention and use of the National Tutoring Programme.

b. Teaching School

The Teaching School has successfully completed its eighth and final year operation, funding ended in summer 2021 as the current model of Teaching Schools ends at this time. Work continues around the major themes highlighted by the 'National College for Teaching and Leadership'. Below is a number of its projects and achievements:

• In July 2020 the Teaching School was Peer Reviewed by NSB TSA and Redbone TSA. They supported the judgement that the DTSA is 'sustainable' (the highest category) for every area including Leadership, Infrastructure, ITT, CPD and S2S. There was no external moderation in 2021;

• The Teaching School has supported primary and secondary schools across the region through the Enigma Maths Hub and Computing Hub to enable teachers to develop their subject knowledge, pedagogy and confidence. A lot of the work has been around supporting non-specialist computer teachers whilst in Maths the focus remains on mastery. Due to the pandemic many courses took place online this year;

Strategic report (continued)

(continued)

• The Sports England Teacher Training initiative is being led by the Teaching School to support 11 Milton Keynes secondary schools in developing their PE staff through quality CPD. This year the highlight was running a conference around curriculum intent and development;

• The Teaching School coordinates the MK subject network meetings in 9 subjects (English, Mathematics, Science, Social Science, History, Geography, MFL, Computing, and Religious Education). The majority of these took place online due to the pandemic and common themes that were explored across the disciplines were delivering quality remote learning, how we can close gaps created by remote learning, and Teacher Assessed Grades. Impacts included: sharing of good practice, sharing ideas about remote delivery and Covid catchup; and generally, support for colleagues during lockdown;

• The Teaching School has continued to maintain its partnership with the OU, supporting research bids that link to teaching and learning. The OU has continued to work with Denbigh to provide the STEM lectu res and 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.

Tommy Flowers SCITT:

Graded Outstanding in 2017, the TFSCITT has completed its 6th year of operation in September 2021 having had another excellent and equally challenging as the previous, year.

Trainees continue to be positive in their praise of the programme.

Trainee numbers have dipped slightly against expectations this year, but remain strong overall, with 41 planned to begin the programme from September 2021. See graph below. We have maintained a steady number of Assessment Only candidates average around 6 over the last 3 years with another 6 anticipated this year.

The TFSCITT was visited by an external moderator, who gave a glowing report and was very impressed with the quality of training and mentoring provided by the TFSCITT and by the partnership schools. It was noted that the training was already using the new Core Content Framework for assessment, ahead of expectation of implementation and alongside working within the context of a global pandemic commended all involved.

From the 24 Secondary trainees last year, all found employment in Milton Keynes schools. One from the primary cohort moved out of the area for personal reasons, whilst the other 21 trainees found appointments within Milton Keynes schools.

This year, the TFSCITT are partnered with Coventry University to act as their End Point Assessment Apprenticeship Provider. It is expected TFSCITT will assess 17 trainees per term this academic year.

Maths Hub

Denbigh School is the Strategic Lead School for the Enigma Maths Hub, which covers a geographical area including Milton Keynes, Buckinghamshire, North Northamptonshire, West Northamptonshire Central Bedfordshire, Bedford and Luton. 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.

Strategic report (continued)

(continued)

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

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

Computing Hub

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

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

As this is the first full year of operation, and the nation is currently in a COVID situation, the Hub will see to further develop its online offer to strengthen computing teaching across the region.

b. 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.

Strategic report (continued)

Financial review

The Trust's financial position demonstrates total income of £12,237,633 (excluding restricted fixed asset funds) with a deficit on 31 August 2021 of £337,431 (excluding restricted fixed asset funds and actuarial gains and losses in the year). The deficit 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 Trust's continuous improvement plan. This ensures the general decoration, maintenance and repairs are maintained at the highest standards.

The principle financial management policies adopted in the year are:

- conducting regular financial reviews of income and expenditure versus planned budgets at the Trustees' Finance and Buildings 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 2021 will be utilised as part of the medium and long term plans of the trust to improve and update its educational resources, materials and equipment, and additionally provide a continuous improvement plan to maintain and repair the Estate and facilities. The Trust considers it prudent to maintain a level of reserves to cover unexpected or emergency issues.

a. Reserves policy

The level of reserves held at 31 August 2021 total £77,968,076 of which £248,362 are deemed to be free reserves. The reserves will be allocated and spent as part of a continuous improvement programme to improve, and maintain its facilities and resources. Reserves are utilised for capital expenditure projects to ensure the facilities are maintained and updated to the highest standards, and for IT replacement projects.

The Trust has recognised its share of the Local Government Pension Scheme (LGPS) assets and liabilities in accordance with Financial Reporting Standard FRS102.

At 31 August 2021 the total funds comprised:

	£
Unrestricted	248,362
Restricted Fixed asset funds	82,572,720
Pension Reserve	(5,602,000)
Other	748,994
Total funds	77,968,076

The deficit on the pension reserve relates to the nonteaching staff pension scheme where, unlike the teachers' scheme, separate assets are held to fund future liabilities as discussed in note 26. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the funds. Unrestricted funds are for the use of the general purposes of the academy trust, at the discretion of the Trustees. The aim of the Trustees is to maintain adequate levels of reserve to meet future working capital requirements.

b. Investment policy

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

The aim of the policy is to ensure funds that the 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 prudency 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.

c. Principal risks and uncertainties

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

The principal risks are the loss of reputation of the Trust and its schools through falling standards, challenges to attracting additional schools to join the Trust, falling student rolls, and failure to safeguard the students of the Trust.

Key controls to mitigate risks are in place as follows:

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

2. Terms of reference for the committees of the Trust and governing bodies of each school within it.

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

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

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

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

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

8. 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, led by the Audit and Risk Committee of the Board. 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 assessment of risks to the Trust, is formally reviewed in every Trust committee meeting and fed in centrally to the Trust Risk Register.

d. Risk Management

The Trustees have assessed the major risks to which the 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:

1. The review of and adoption of a revised Risk Register and Risk Management Policy managed by the Audit and Risk Committee of Trustees.
2. The commissioning of a review of the Trust's governance by an independent organisation to ensure compliance across the Trust. This was carried out in March 2021, with a further review due in December 2021.
3. All Committees instructed to have a formal standing agenda item to review pertinent risks relevant to the individual Committee's remit.
4. Formal agendas and minutes for all committee activity.
5. Principals of the Scheme of Delegation and Terms of reference for all Trustee meetings under the direction of the Board of Trustees.
6. Pecuniary interests of Trustees reviewed and reported at each meeting.
7. Comprehensive budgeting and management reporting to the Resources Committee who recommend findings and recommendations to the Board of Trustees for approval or otherwise with instructions for actions and implementation.
8. 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.
9. Clear segregation, authorisation and approval levels as defined in the Trust's Finance Manual (policy).
10. Recruiting the quality and quantity of staff required, where possible leveraging the benefits from the SCITT and Teaching School. An ongoing review of recruitment methodology is in place.

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

Fundraising

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

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

Plans for future periods

Trust objectives

The Aim of the Denbigh Alliance MAT 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 different to the progress and attainment of students through the application of the Denbigh Ethos. The Alliance aims to grow at a sustainable pace, and the current intention to grow to no larger than 10 schools by 2025.

Plans progressed well and the new school, Watling Academy successfully opened in September 2020 with a vision of Care, Education and Opportunity. It operated in temporary premises and moved to the new building in March 2021. Further work is in process and timelines are being agreed in terms of procurement of contracts and services, and the recruitment of staff. Ultimately the goal is to provide a Sixth Form within the Alliance for Watling Academy students by 2025.

The Trust continues to carefully plan and manage the main School and Sixth Form, whilst maintaining its position as the best school in Milton Keynes as measured by GCSE Progress 8 and being in the top 20% of schools nationally for progress at A Level.

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

Teaching and Learning

- To continue to develop and improve the quality and consistency of teaching and learning, 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.

- To continue with the robust assessment and reporting systems based on 9-1 grading, providing continuity from years 7-11, enabling both teachers, students, and parents to track progress.

- To collaborate between schools to achieve the points above.

- Personal development, behaviour, and welfare.

- To continue to embed the values of engagement, respect, kindness and to do no harm, under the Trust ethos of Care, Education and Opportunity.

- To continue with the training and development of anti-bullying ambassadors across the Trust.

- To develop increased opportunities to promote success through systems for strengthening House ethos, plus building and celebrating positive mindsets where students strive for and value success.

Teaching School objectives

2020-21 saw the last year of Teaching Schools in its current format.

The DTSA is put in a bid to be the Lead School of the new Teaching School Hub for Milton Keynes, Bedford, and Central Bedfordshire, pulling together the pillars of Early Career Framework, National Professional Qualifications, Initial Teacher training, Continuing Professional Development and Appropriate body work for NQT's, however this was unsucessful. A new collaboration will see the trust heading the Milton Keynes Early Careers Framework.

Plans for future periods (continued)

Maths Hub objectives

Maths Hub objectives are built around 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.

The Maths Hub Network provides school-based system leadership to enable the continuous improvement of mathematics education for all pupils and students in all England's schools and colleges. Maths Hubs work with teachers and leaders across all phases, from Reception through to Post-16.

The strategic goals for 2020 through to 2023 are summarised as follows:

1. To provide support for participating schools to introduce, embed and sustain teaching for mastery with fidelity and consistency, encouraging the effective use of high-quality resources.

2. To work with schools to address specific challenges as they seek to embed and sustain teaching for mastery (for example mixed-age classes or same-day intervention for supporting pupils with SEND).

3. To support teachers and leaders in post-16 schools and colleges to increase participation in Level 3 mathematics education and enhance the quality of teaching at all levels so that students studying mathematics at post-16 make good progress and are well prepared for their future education and career pathways.

4. To develop and support local leaders of maths education (LLME).

5. To run Maths Hub Work Groups to enable schools to work together over a sustained period led by a teacher expert, whose expertise is in both mathematics education and in leading teacher professional development.

By 2023 the aim is for the vast majority of schools to regularly participate in a Maths Hub Work Group and understand how participation can become a routine, ongoing part of their approach to professional and school development in mathematics.

SCITT Objectives

The SCITT begins its seventh year in September 2021 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.

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

- Adjust the training programme to reflect the new Core Content Framework
- To adjust the programme to ensure that it is aligned with the new OFTSED Inspection Framework for ITT providers
- To recruit healthy numbers – bursaries and financial support have been cut significantly. This will provide a significant challenge for recruitment this year.

Funds held as custodian on behalf of others

Denbigh School operates a School Fund account within the Trust for the purpose of managing income and expenditure for trips, activities and other events undertaken for students. The income, ecpenditure and fund balances are included in the year end accounts of the academy trust for the year ended 31st August 2021.

Disclosure of information to auditor

In so far as the Trustees are aware:

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

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

John Cove

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Mr J Cove
Chair of Trustees

Date: 15/12/21

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.

Following some board resegnations in November 2020, the board suspended sub-committees, except for Local Governing Body meeings. As a result the Board of Trustees met formally 20 times during the year to transact the business of the trust.

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, (resigned 25 November 2020)	3	3
Mr A Squires, CEO	20	20
Mr W G Butler	19	20
Mr A P Dransfield, (resigned 1 February 2021)	4	4
Ms S McGuire, (appointed Chair of Trustees 25 November 2020, resigned as Chair 8th September 2021)	11	20
Mrs D Plumb, (resigned 13 November 2020)	2	3
Mr B R Hawthorne, (resigned 16 November 2020)	3	3
Mr D J Sporn, (resigned 13 November 2020)	3	3
Mrs M O'Brien	20	20
Mr J R Cove, Chair of Trustees	19	20
Mr W Preen, (appointed 24 February 2021)	9	9
Mr J Hand, (appointed 24 February 2021)	9	9
Mrs M Jones, (appointed 28 April 2021)	5	6
Mrs J Stayte, (appointed 28 April 2021, resigned 25 October 2021)	1	6
Mr J Giles, (appointed 28 April 2021)	6	6

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

The Board commissioned an external review of governance by the NGA in March 2021. It is anticipated this this will be repeated on 3-5 year cycle, however with the successful bid for a new primary school the Board has instructed an interim review to take place in December 2021

Prior to the full board meeting bi-weekly in November 2020, there was one Resources Committee meeting on 23rd September 2020.

Governance (continued)

Attendance during theAttendance at the Trust's Resources Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr A Squires	1	1
Mr J S Howe (resigned 25 November 2020)	1	1
Mr A P Dransfield (resigned 1 February 2021)	1	1
Mr W G Butler	0	1
Mr D J Sporn (resigned 13 November 2020)	1	1
Mrs D Plumb (resigned 16 November 2020)	1	1

The Audit Committee is also a sub-committee of the main Board of Trustees and met once on 23rd November 2020, following which the Board took full control of business.

Attendance at the Audit and Risk Committee meeting is

Trustee	Meetings attended	Out of a possible
Mr J R Cove	1	1
Mr J S Howe (resigned 25 November 2020)	0	1
Mr A Squires	1	1
Mrs M O'Brien	1	1
Ms S McGuire (appointed Chair of Trustees 25 November 2020, resigned as Chair 8th September 2021)	1	1
Mr W G Butler	1	1

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 with Heads of Schools to review each school's financial position and forecast versus the annual budgets, taking any necessary action to manage expenditure.
- Presenting monthly management accounts to Trustees for scrutiny and review.
- A continuous review approach is in place regarding operational expenditure and is imbedded into the organisation's approach. Examples include the implementation of rigorous reviews of vacant staff positions to consider updating the ways of working and operational infrastructure. The site teams continue to review the structure and expenditure relating to the site and premises, wherever possible considering whether the training and development of staff serves to create efficient use of resources.

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 2020 to 31 August 2021 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 Trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating, and managing the Trust's risks.

The risk and control framework

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. 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 Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

During the year The Board of Trustees bought in internal scrutiny services from Schools Business Services.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

On a termly basis,the reviewer reports to the board of Trustees on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

Two audits were carried out during the year 1 September 2020 to 31 August 2021 and findings were reported to Trustees. There were two material control issues arising as a result of the work, which have since been addressed.

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 external auditor;
- the work of the Internal scrutiny work;
- 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 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 Cove	DR. A. FRAME
Chair of Trustees	Accounting Officer
Date: 15/12/21	15/12/21

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Denbigh Alliance I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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 2020.

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.

....
DR. A. FRAME
Accounting Officer
Date: 15/12/21

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2021

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

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

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

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

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

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

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

J Cove

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Mr J Cove
Chair of Trustees

Date: 15/12/21

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

Opinion

We have audited the financial statements of The Denbigh Alliance (the 'academy') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law,United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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

Responsibilities of Trustees

As explained more fully in the 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.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

Use of our report

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

Guy Hodgkinson BA ACA (Senior Statutory Auditor)
for and on behalf of
MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
Northampton

Date: 16/12/21

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

In accordance with the terms of our engagement letter dated 18 June 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The Denbigh Alliance's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MacIntyre Hudson

Reporting Accountant
MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors

Date: 16/12/21

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants:	3					
Transfer in Watling Academy		-	-	55,779,188	55,779,188	-
Other donations and capital grants		-	-	761,541	761,541	1,383,859
Charitable activities	4,5	59,685	10,986,692	-	11,046,377	9,294,501
Teaching schools	32	-	66,376	-	66,376	162,448
Other trading activities	6	14,819	1,110,061	-	1,124,880	1,039,673
Investments	7	-	-	-	-	12,258
Total income		74,504	12,163,129	56,540,729	68,778,362	11,892,739
Expenditure on:						
Raising funds	9	-	1,054,228	-	1,054,228	960,934
Charitable activities		-	11,476,164	1,309,669	12,785,833	10,586,420
Teaching schools	32	-	44,672	-	44,672	118,918
Total expenditure	8	-	12,575,064	1,309,669	13,884,733	11,666,272
Net income/ (expenditure)		74,504	(411,935)	55,231,060	54,893,629	226,467
Transfers between funds	19	-	25,592	(25,592)	-	-
Net movement in funds before other recognised losses		74,504	(386,343)	55,205,468	54,893,629	226,467
Other recognised losses:						
Actuarial losses on defined benefit pension schemes	26	-	(212,000)	-	(212,000)	(787,000)
Net movement in funds		74,504	(598,343)	55,205,468	54,681,629	(560,533)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Reconciliation of funds:						
Total funds brought forward		**173,858**	**(4,254,663)**	**27,367,252**	**23,286,447**	23,846,980
Net movement in funds		**74,504**	**(598,343)**	**55,205,468**	**54,681,629**	(560,533)
Total funds carried forward		**248,362**	**(4,853,006)**	**82,572,720**	**77,968,076**	23,286,447

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

The notes on pages 38 to 67 form part of these financial statements.

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note		2021 £		2020 £
Fixed assets					
Tangible assets	15		**80,895,585**		25,716,752
Current assets					
Debtors	16	**1,082,594**		276,557	
Cash at bank and in hand	24	**3,076,755**		3,339,778	
		4,159,349		3,616,335	
Creditors: amounts falling due within one year	17	**(1,462,358)**		(1,260,140)	
Net current assets			**2,696,991**		2,356,195
Total assets less current liabilities			**83,592,576**		28,072,947
Creditors: amounts falling due after more than one year	18		**(22,500)**		(27,500)
Net assets excluding pension liability			**83,570,076**		28,045,447
Defined benefit pension scheme liability	26		**(5,602,000)**		(4,759,000)
Total net assets			**77,968,076**		23,286,447
Funds of the Academy					
Restricted funds:					
Fixed asset funds	19	**82,572,720**		27,367,252	
Restricted income funds	19	**748,994**		504,337	
Restricted funds excluding pension asset	19	**83,321,714**		27,871,589	
Pension reserve	19	**(5,602,000)**		(4,759,000)	
Total restricted funds	19		**77,719,714**		23,112,589
Unrestricted income funds	19		**248,362**		173,858
Total funds			**77,968,076**		23,286,447

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements on pages 33 to 67 were approved by the Trustees, and authorised for issue and are signed on their behalf, by:

John Cove

....
Mr J R Cove
Chair of Trustees

Date: 15/12/21

The notes on pages 38 to 67 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	**(310,250)**	190,634
Cash flows from investing activities	23	**52,227**	745,847
Cash flows from financing activities	22	**(5,000)**	(3,750)
Change in cash and cash equivalents in the year		**(263,023)**	932,731
Cash and cash equivalents at the beginning of the year		**3,339,778**	2,513,081
Cash and cash equivalents at the end of the year	24, 25	**3,076,755**	3,445,812

The notes on pages 38 to 67 form part of these financial statements

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Income

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

- **Grants**

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

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

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

1. Accounting policies (continued)

1.3 Income (continued)

- **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.

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

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

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1. Accounting policies (continued)

1.6 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Freehold property	- 2% - 6%
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.

1.7 Debtors

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

1.8 Cash at bank and in hand

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

1.9 Liabilities

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

1. Accounting policies (continued)

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 Pensions

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

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

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

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

1. Accounting policies (continued)

1.12 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to the students are excluded from the Statement of Financial Activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 20.

1.13 Fund accounting

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

3. Income from donations and capital grants

	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Capital Grants	55,779,188	**55,779,188**	1,350,000
Grants	761,541	**761,541**	33,859
	56,540,729	**56,540,729**	1,383,859

4. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Educational operations	59,685	10,986,692	**11,046,377**	9,294,501
Total 2020	225,306	9,069,195	9,294,501	

5. Funding for the Academy's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	9,623,861	**9,623,861**	8,078,755
Other DfE/ESFA grants				
Pupil Premium	-	221,361	**221,361**	193,120
Rates Relief	-	50,436	**50,436**	49,972
Other ESFA income	-	222,838	**222,838**	155,261
Teachers pension grant	-	509,338	**509,338**	457,361
	-	10,627,834	**10,627,834**	8,934,469
Other Government grants				
ISP income	-	321,473	**321,473**	123,571
Other government grants	-	16,035	**16,035**	11,155
	-	337,508	**337,508**	134,726
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	21,350	**21,350**	-
	-	21,350	**21,350**	-
Other income				
Music income	26,900	-	**26,900**	16,038
Trip income	-	-	**-**	95,360
Other income	32,785	-	**32,785**	113,908
	59,685	-	**59,685**	225,306
Total 2021	59,685	10,986,692	**11,046,377**	9,294,501

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Teachers Pension Grant and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The Academy received £21,350 of funding for catch-up premium and costs incurred in respect of this funding totalled £21,350.

6. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Lettings income	14,819	-	**14,819**	26,012
Maths Hub, Computer Hub and SCITT income	-	1,110,061	**1,110,061**	1,013,661
	14,819	1,110,061	**1,124,880**	1,039,673

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment income	-	-	12,258

8. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Expenditure on raising voluntary income:					
Direct costs	242,660	-	811,568	**1,054,228**	960,934
Educational Activities:					
Direct costs	7,712,851	-	642,774	**8,355,625**	7,082,728
Allocated support costs	2,172,696	1,693,331	564,181	**4,430,208**	3,503,692
Teaching school	35,214	-	9,458	**44,672**	118,918
	10,163,421	1,693,331	2,027,981	**13,884,733**	11,666,272

9. Expenditure on raising funds

Other trading expenses

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
SCITT	307,817	**307,817**	143,979
Maths Hub	450,255	**450,255**	395,392
Computer Hub	53,496	**53,496**	14,684
Trading staff costs	242,660	**242,660**	406,879
	1,054,228	**1,054,228**	960,934

10. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Educational Activities	8,355,625	4,430,208	**12,785,833**	10,586,420

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2021 £	Total funds 2021 £	Total funds 2020 £
Pension finance costs	73,000	**73,000**	64,000
Staff costs	2,172,696	**2,172,696**	1,743,405
Depreciation	1,309,669	**1,309,669**	792,271
Technology costs	170,137	**170,137**	152,077
Premises costs	383,662	**383,662**	396,454
Other support costs	300,314	**300,314**	342,235
Governance costs	20,730	**20,730**	13,250
	4,430,208	**4,430,208**	3,503,692

11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Depreciation of tangible fixed assets	**1,309,669**	792,271
Loss on disposal of fixed assets	-	430
Fees paid to auditor for:		
- audit	**12,000**	9,275
- other services	**6,750**	3,975

12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	**7,153,710**	5,959,670
Social security costs	**705,555**	617,386
Pension costs	**2,146,280**	1,653,299
	10,005,545	8,230,355
Agency staff costs	**157,876**	93,135
	10,163,421	8,323,490

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	**118**	92
Admin and support staff	**117**	98
Management staff	**14**	14
	249	204

12. Staff (continued)

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	**6**	8
In the band £70,001 - £80,000	**3**	1
In the band £80,001 - £90,000	**-**	2
In the band £90,001 - £100,000	**2**	-
In the band £110,001 - £120,000	**-**	1
In the band £125,001 - £130,000	**1**	-

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £515,594 (2020: £1,251,093).

13. Trustees' remuneration and expenses

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

		2021 £	2020 £
Mr A Squires, CEO	Remuneration	**125,000 - 130,000**	120,000 - 125,000
	Pension contributions paid	**25,000 - 30,000**	25,000 - 30,000

During the year, retirement benefits were accruing to no Trustees (2020 - 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

14. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2021. The cost of this insurance is included in the total insurance cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

15. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation							
At 1 September 2020	31,000,476	-	157,862	1,008,112	242,047	1,180,464	33,588,961
Additions	256,159	-	-	29,429	126,592	297,134	709,314
Acquired on conversion	-	55,779,188	-	-	-	-	55,779,188
Transfers between classes	-	-	(157,862)	66,344	-	91,518	-
At 31 August 2021	31,256,635	55,779,188	-	1,103,885	368,639	1,569,116	90,077,463
Depreciation							
At 1 September 2020	5,764,341	-	-	965,921	148,122	993,825	7,872,209
Charge for the year	1,110,835	46,245	-	24,664	20,825	107,100	1,309,669
At 31 August 2021	6,875,176	46,245	-	990,585	168,947	1,100,925	9,181,878

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

15. Tangible fixed assets (continued)

	Freehold property £	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
Net book value							
At 31 August 2021	**24,381,459**	**55,732,943**	**-**	**113,300**	**199,692**	**468,191**	**80,895,585**
At 31 August 2020	25,236,135	-	157,862	42,191	93,925	186,639	25,716,752

16. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	**86,251**	25,074
Other debtors	**73,585**	50,096
Prepayments and accrued income	**922,758**	201,387
	1,082,594	276,557

17. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other loans	**5,000**	5,000
Trade creditors	**356,381**	323,594
Other taxation and social security	**188,262**	151,080
Other creditors	**218,781**	165,364
Accruals and deferred income	**693,934**	615,102
	1,462,358	1,260,140

	2021 £	2020 £
Deferred income at 1 September 2020	**540,308**	364,327
Resources deferred during the year	**402,508**	540,308
Amounts released from previous periods	**(540,308)**	(364,327)
	402,508	540,308

Deferred income held at the balance sheet date includes Grant income and trip income relating to the 2021/22 academic year as well as clawback income for underspends on the Maths Hub, SCITT and Teaching School.

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

	2021 £	2020 £
Other loans	**22,500**	27,500

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

19. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Fund	**173,858**	**74,504**	**-**	**-**	**-**	**248,362**
Restricted general funds						
General Annual Grant (GAG)	**-**	**9,623,861**	**(9,496,119)**	**(38,834)**	**-**	**88,908**
Pupil Premium	**-**	**221,361**	**(221,361)**	**-**	**-**	**-**
Other ESFA income	**-**	**798,647**	**(784,861)**	**-**	**-**	**13,786**
Local authority	**-**	**321,473**	**(321,473)**	**-**	**-**	**-**
S.C.I.T.T	**156,482**	**408,108**	**(380,166)**	**-**	**-**	**184,424**
Teaching School	**269,463**	**66,376**	**(44,672)**	**-**	**-**	**291,167**
Maths Hub	**83,058**	**562,919**	**(562,401)**	**-**	**-**	**83,576**
Computer Hub	**59,760**	**139,034**	**(111,661)**	**-**	**-**	**87,133**
Watling	**(64,426)**	**-**	**-**	**64,426**	**-**	**-**
COVID catch-up premium	**-**	**21,350**	**(21,350)**	**-**	**-**	**-**
Pension reserve	**(4,759,000)**	**-**	**(631,000)**	**-**	**(212,000)**	**(5,602,000)**
	(4,254,663)	**12,163,129**	**(12,575,064)**	**25,592**	**(212,000)**	**(4,853,006)**

19. Statement of funds (continued)

Restricted fixed asset funds						
Restricted fixed asset fund	25,716,752	55,779,189	(1,309,669)	709,313	-	80,895,585
ESFA Capital	62,496	761,540	-	(174,975)	-	649,061
New Build grant	238,004	-	-	-	-	238,004
Watling	1,350,000	-	-	(559,930)	-	790,070
	27,367,252	56,540,729	(1,309,669)	(25,592)	-	82,572,720
Total Restricted funds	23,112,589	68,703,858	(13,884,733)	-	(212,000)	77,719,714
Total funds	23,286,447	68,778,362	(13,884,733)	-	(212,000)	77,968,076

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

Included in the transfer between the restricted General Annual Grant fund and restricted fixed asset funds is £25,992 which represents amounts capitalised during the period. The remainder of General Annual Grant was transferred from Watling.

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.

19. Statement of funds (continued)

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 2021.

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Fund	305,893	263,576	(219,797)	(175,814)	-	173,858
Restricted general funds						
General Annual Grant (GAG)	-	8,078,755	(8,130,332)	51,577	-	-
Pupil Premium	-	193,120	(193,120)	-	-	-
Rates Relief	-	49,972	(49,972)	-	-	-
Other ESFA income	-	512,322	(512,322)	-	-	-
Local authority	-	134,726	(134,726)	-	-	-
S.C.I.T.T	121,828	427,380	(392,726)	-	-	156,482
Teaching School	225,933	162,448	(118,918)	-	-	269,463
Maths Hub	124,745	462,807	(504,494)	-	-	83,058
Computer Hub	-	123,474	(63,714)	-	-	59,760
Watling	13,154	100,300	(177,880)	-	-	(64,426)
Pension reserve	(3,596,000)	-	(376,000)	-	(787,000)	(4,759,000)
	(3,110,340)	10,245,304	(10,654,204)	51,577	(787,000)	(4,254,663)

19. Statement of funds (continued)

Restricted fixed asset funds						
Restricted fixed asset fund	25,859,183	-	(792,271)	649,840	-	25,716,752
DFC	23,533	33,859	-	(57,392)	-	-
ESFA Capital	249,993	-	-	(187,497)	-	62,496
New Build grant	238,004	-	-	-	-	238,004
CIF - Roof	280,714	-	-	(280,714)	-	-
Watling	-	1,350,000	-	-	-	1,350,000
	26,651,427	1,383,859	(792,271)	124,237	-	27,367,252
Total Restricted funds	23,541,087	11,629,163	(11,446,475)	175,814	(787,000)	23,112,589
Total funds	23,846,980	11,892,739	(11,666,272)	-	(787,000)	23,286,447

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 **£**	2020 £
Denbigh School	**123,782**	173,858
Watling Academy	**10,484**	(64,426)
Central Services	**863,090**	568,763
Total before fixed asset funds and pension reserve	**997,356**	678,195
Restricted fixed asset fund	**82,572,720**	27,367,252
Pension reserve	**(5,602,000)**	(4,759,000)
Total	**77,968,076**	23,286,447

Total cost analysis by academy

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

19. Statement of funds (continued)

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Denbigh School	6,768,643	1,558,502	98,865	1,398,715	**9,824,725**	9,616,269
Watling Academy	852,493	541,665	36,734	206,486	**1,637,378**	177,880
Central Services	612,249	145,529	-	355,183	**1,112,961**	1,079,852
Academy	8,233,385	2,245,696	135,599	1,960,384	**12,575,064**	10,874,001

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	80,895,585	**80,895,585**
Current assets	248,362	2,233,852	1,677,135	**4,159,349**
Creditors due within one year	-	(1,462,358)	-	**(1,462,358)**
Creditors due in more than one year	-	(22,500)	-	**(22,500)**
Provisions for liabilities and charges	-	(5,602,000)	-	**(5,602,000)**
Total	248,362	(4,853,006)	82,572,720	**77,968,076**

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	25,716,752	25,716,752
Current assets	150,832	1,815,003	1,650,500	3,616,335
Creditors due within one year	23,026	(1,283,166)	-	(1,260,140)
Creditors due in more than one year	-	(27,500)	-	(27,500)
Provisions for liabilities and charges	-	(4,759,000)	-	(4,759,000)
Total	173,858	(4,254,663)	27,367,252	23,286,447

21. Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	**54,893,629**	226,467
Adjustments for:		
Depreciation	**1,309,669**	792,271
Capital grants from DfE and other capital income	**(761,541)**	(1,383,859)
Interest receivable	**-**	(12,258)
Transfer on conversion	**(55,779,188)**	-
Defined benefit pension scheme cost less contributions payable	**554,000**	312,000
Defined benefit pension scheme finance cost	**77,000**	64,000
(Increase)/decrease in debtors	**(806,037)**	111,969
Increase in creditors	**202,218**	79,614
Loss on sale of fixed assets	**-**	430
Net cash (used in)/provided by operating activities	**(310,250)**	190,634

22. Cash flows from financing activities

	2021 £	2020 £
Repayments of borrowing	**(5,000)**	(3,750)
Net cash used in financing activities	**(5,000)**	(3,750)

23. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	**-**	12,258
Purchase of tangible fixed assets	**(709,314)**	(650,270)
Capital grants from DfE Group	**761,541**	33,859
Capital funding received from sponsors and others	**-**	1,350,000
Net cash provided by investing activities	**52,227**	745,847

24. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	**3,076,755**	3,445,812
Total cash and cash equivalents	**3,076,755**	3,445,812

25. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	3,339,778	(263,023)	3,076,755
Debt due within 1 year	(5,000)	-	(5,000)
Debt due after 1 year	(27,500)	5,000	(22,500)
	3,307,278	(258,023)	3,049,255

26. Pension commitments

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

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

Contributions amounting to £190,341 were payable to the schemes at 31 August 2021 (2020 - £154,632) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2023.

26. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £1,224,280 (2020 - £1,051,299).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £468,000 (2020 - £382,000), of which employer's contributions totalled £364,000 (2020 - £294,000) and employees' contributions totalled £ 104,000 (2020 - £88,000). The agreed contribution rates for future years are 21 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

	2021 %	2020 %
Rate of increase in salaries	**3.90**	3.30
Rate of increase for pensions in payment/inflation	**2.90**	2.30
Discount rate for scheme liabilities	**1.65**	1.60
Commutation of pensions to lump sums	**50.0**	50.0

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

	2021 Years	2020 Years
Retiring today		
Males	**21.6**	21.8
Females	**25.0**	25.1
Retiring in 20 years		
Males	**22.9**	23.2
Females	**26.4**	26.6

26. Pension commitments (continued)

Sensitivity analysis

	2021 £000	2020 £000
Discount rate -0.1%	249	219
Discount rate +0.1%	(274)	(224)
Mortality assumption - 1 year increase	494	374
Mortality assumption - 1 year decrease	(474)	(359)
CPI rate +0.1%	255	209
CPI rate -0.1%	(249)	(204)

Share of scheme assets

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

	2021 £	2020 £
Equities	3,171,000	2,532,000
Gilts	529,000	486,000
Other bonds	822,000	724,000
Property	352,000	289,000
Cash and other liquid assets	59,000	121,000
Alternative assets	59,000	42,000
Hedge funds	294,000	219,000
Absolute return portfolio	587,000	205,000
Total market value of assets	5,873,000	4,618,000

The actual return on scheme assets was £878,000 (2020 - £141,000).

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

	2021 £	2020 £
Current service cost	(918,000)	(602,000)
Interest income	77,000	83,000
Interest cost	(150,000)	(147,000)
Administrative expenses	(4,000)	(4,000)
Total amount recognised in the Statement of Financial Activities	(995,000)	(670,000)

26. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	**9,377,000**	7,952,000
Current service cost	**918,000**	602,000
Interest cost	**150,000**	147,000
Employee contributions	**104,000**	88,000
Actuarial losses	**1,017,000**	689,000
Benefits paid	**(91,000)**	(101,000)
At 31 August	**11,475,000**	9,377,000

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

	2021 £	2020 £
At 1 September	**4,618,000**	4,356,000
Interest income	**77,000**	83,000
Actuarial gains/(losses)	**805,000**	(98,000)
Employer contributions	**364,000**	294,000
Employee contributions	**104,000**	88,000
Benefits paid	**(91,000)**	(101,000)
Administration costs	**(4,000)**	(4,000)
At 31 August	**5,873,000**	4,618,000

The amounts recognised in the Balance Sheet are as follows:

	2021 £	2020 £
Closed defined benefit obligation	**(11,475,000)**	(9,377,000)
Closing fair value of scheme assets	**5,873,000**	4,618,000
	(5,602,000)	(4,759,000)

Total remeasurements recognised in Other Comprehensive Income:

	2021 £	2020 £
Changes in financial assumptions	**(1,334,000)**	(694,000)
Changes in demographic assumptions	**119,000**	165,000
Other remeasurements	**1,003,000**	(258,000)
	(212,000)	(787,000)

27. Operating lease commitments

At 31 August 2021 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	**2,361**	8,352
Later than 1 year and not later than 5 years	**4,383**	13,224
	6,744	21,576

28. Members' liability

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

29. Related party transactions

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

Facilities of Shenley Leisure Centre are shared between the academy and Shenley Leisure Centre Trust Limited where three people are Trustees of both entities. During the year the academy received income of £47,185 (2020: £32,702) in relation to lettings income and recharging the utility costs of the shared access areas. The academy also paid £2,904 (2020: £1,379) 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.

30. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accountng period ending 31 August 2021 the trust received £27,022 (2020 - £36,029) and disbursed £30,511 (2020 - £51,431) from the fund. An amount of £Nil (2020 - £3,489) is included in other creditors relating to undistributed funds.

31. Transfer of new academies into the trust

On 1 September 2020 the Watling Academy opened as a brand-new free school under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Denbigh Alliance for £nil consideration.

Watling Academy

	Value reported by transferring trust £	Transfer in recognised £
Tangible fixed assets		
Long-term leasehold property	55,779,188	**55,779,188**
Net assets	55,779,188	**55,779,188**

32. Teaching school trading account

	2021 £	2021 £	2020 £	2020 £
Income				
Direct income				
Teaching school income	**66,376**		162,448	
Total income		**66,376**		162,448
Expenditure				
Direct expenditure				
Direct staff costs	**35,214**		87,317	
Course costs	-		27,222	
Total direct expenditure	**35,214**		114,539	
Other expenditure				
Catering costs	-		1,151	
Travel costs	-		562	
Audit fees	-		916	
Other costs	**9,458**		1,750	
Total other expenditure	**9,458**		4,379	
Total expenditure		**44,672**		118,918
Surplus from all sources		**21,704**		43,530
Teaching school balances at 1 September 2020		**269,463**		225,933
Teaching school balances at 31 August 2021		**291,167**		269,463

33. S.C.I.T.T. Trading account

		2021 £		2020 £
Income				
SCITT income	**408,108**		427,380	
		408,108		427,380
Direct costs				
Staff costs	**237,530**		248,747	
Course costs	**134,123**		135,574	
		371,653		384,321
Support costs				
Staff training	**750**		678	
Catering	**250**		158	
Travel	**450**		431	
Advertising	**4,013**		4,203	
Audit fees	**1,800**		1,800	
Other	**1,250**		1,135	
		8,513		8,405
Surplus for the year		**27,942**		34,654
S.C.I.T.T balances at 1 September 2020		**156,482**		121,828
S.C.I.T.T balances at 31 August 2021		**184,424**		156,482