
THE WILLIAM ALVEY SCHOOL TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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THE WILLIAM ALVEY SCHOOL TRUST
(A company limited by guarantee)

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THE WILLIAM ALVEY SCHOOL TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Ms J Waters-Dewhurst Mrs A Jay Mr J Henwood Mrs L Kirkman Mrs C Nel
Trustees	Mrs L Kirkman Mrs A Jay Mr S Tapley, Head Teacher and Accounting Officer Mr V Jones Mrs S Creedon Mrs K Camm (resigned 23 September 2019) Mrs E Weston, Staff Trustee Rev P Johnson Mrs A Snookes Mrs C Nel Mrs C Edwards Mrs G Jakeaway (resigned 2 October 2019) Mrs A Smith (appointed 20 January 2020)
Company registered number	07737302
Company name	The William Alvey School Trust
Principal and registered office	The William Alvey C.E. Primary School Eastgate Sleaford Lincs NG34 7EA

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

Clerk to the Trustees	Ms L Davies
Accounting officer	Mr S Tapley
Senior management team	Mr S Tapley, Head Teacher Mrs L Browning, Deputy Head Teacher Mrs K Camm, Assistant Head Teacher Mrs L Warrener, Assistant Head Teacher
Independent auditors	Streets Audit LLP Windsor House A1 Business Park at Long Bennington Notts NG23 5JR
Bankers	Lloyds Bank Plc 2 Northgate Sleaford Lincs NG34 7BL
Solicitors	Legal Services Lincolnshire County Offices Newland Lincoln Lincs LN1 1YL

THE WILLIAM ALVEY SCHOOL TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

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

The Trust operates a Primary Academy for pupils aged 4 to 11 serving the market town of Sleaford. It has a pupil capacity of 630 and had a roll of 637 in the school census in January 2019.

Structure, governance and management

Constitution

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

The charitable company's Memorandum of Association is the primary governing document of the Academy.

The Trustees of The William Alvey School Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as The William Alvey School Trust.

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

Members' liability

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

Trustees' indemnities

Subject to the provisions of the Companies Act 2006, every Trustee or other officer of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust. The limit of this indemnity is unlimited.

Method of recruitment and appointment or election of Trustees

When a vacancy arises on the board of trustees, the Clerk circulates this information to all relevant stakeholders and invites those wishing to stand, to apply. If there are sufficient applicants to warrant an election, every practical step is taken to ensure that all parents of a registered child, or in the case of staff trustees, all members of staff, are informed of their right to vote and the procedures which need to be followed. The election takes place by secret ballot.

The Members may appoint up to 4 trustees

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

Structure, governance and management (continued)

Policies adopted for the induction and training of Trustees

The William Alvey Chair of the trustees adopts section 3.3 'Induction and ongoing training and development' of 'The Governance Handbook' 2019). An induction checklist forms the basis for induction training which includes a site visit, opportunity to meet teaching staff and SMT, meet the Head Teacher and fellow trustees, Login details to the Governor Zone (access to most recent OFSTED Report, Policies and Standards, Articles of Association) and provision of other necessary information. Trustees are requested by the Chair of the trustees to attend additional training as offered by the Local Authority and other Industry Groups. The induction provided depends on the new trustees' existing experience, and where necessary will include training on charity, educational, legal and financial matters. As there is normally expected to be only a small number of new trustees each year, induction is tailored specifically to the individual.

Following induction activities, and once a skills audit has taken place, the trustee will be placed on a minimum of one committee or working party that best compliments their areas of experience, expertise and interest. Through association with these working parties and committees, the trustee will have an opportunity to observe pertinent areas of school activity and the trustee will be guided in how to record, report and cascade the information gleaned through their visits to the school.

For the purpose of continuous improvement, the trustees will review the current induction process to ensure that it continues to provide the necessary skills, knowledge and experiences required to successfully undertake the role of trustee.

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

Structure, governance and management (continued)

Organisational structure

The Head teacher is the Accounting Officer for the Academy. Many of the day-to-day decisions for the Academy are made internally by the SMT or the Head Teacher.

The Governing Body have devolved certain of its activities to sub-committees with responsibility for specific aspects of the Academy's operations. The sub-committees, their terms of reference and their make-up are set out below:

Finance and Audit Committee – Mr. V Jones, Mrs. L Kirkman, Mrs. A Jay

“to ensure that the Academy complies with all financial legislation and standards of best practice, and to monitor ongoing financial and related performance and practices against these standards.”

Admissions and Attendance – Mr V. Jones, Mrs C. Nel, Mrs L. Kirkman

“to review applications received for a place in any school year where there are more applications than vacancies. In such cases the committee will apply the oversubscription criteria as set out in the Admissions Policy.

To monitor the attendance levels of staff and children within school and where these figures fall below the school's target figure, carry out the actions detailed in the appropriate policies.”

Health and Safety Committee – Mr. S Tapley, Mr. M Johnson (Site Manager), Mrs. A. Smith, Mrs. C Nel

“to advise the Head Teacher and Governing Body on matters concerning the Health, Safety and Welfare within the school, in particular to formulate health and safety policies and planning for the school and to review health and safety processes and procedures.”

Standards and Development Committee – Mrs. L Kirkman, Mrs. A Snookes, Rev. P Johnson, Mrs. E Weston

“to assure the academic standards of The Academy by supporting and challenging the school and promoting pupil achievement.”

Appeals Committee – Mrs L.Kirkman, Mr. V Jones, Mrs C.Nel

“To consider any appeal against a decision to dismiss a member of staff made by the Head Teacher.

To consider any appeal against a decision short of dismissal under the Governing Body's personnel procedures e.g disciplinary or Grievance policies.

To consider any appeal against selection for redundancy.

To consider any appeal for flexible working.”

Performance Management Committee – Mrs L Kirkman, Mrs S Creedon Mrs A.Snookes

“ to meet with the External Advisor to discuss the Head Teacher's performance target, to decide, with the support of the EA whether the targets have been met. To set and agree new targets annually and to monitor through the year the performance of the Head Teacher against these targets.”

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

Structure, governance and management (continued)

Arrangements for setting pay and remuneration of key management personnel

The Academy's Pay and Performance Management Policies are used as reference when decisions are made regarding the pay and remuneration of the Head Teacher.

The trustees have devolved Head Teacher pay consideration to the Performance Management sub-Committee.

This committee undertakes the task of appraising the Head Teacher using objectives set and agreed in the previous year. Both the appraisal and the target setting exercise are fully supported by a suitably skilled and experienced external adviser, appointed by the trustees.

The Head Teacher will demonstrate sustained high quality of performance, with particular regard to leadership, management and pupil progress; the sub-committee will take this into account when reviewing the Head Teacher performance against the previously agreed objectives.

The sub-committee will make recommendations to the full Governing Body, concerning the outcome of the performance review and the awarding of any performance points; the full Governing Body will make the final decision.

The performance management of other Key Management Personnel is carried out by the Headteacher, who decides on any pay progression for the Assistant Headteachers and a recommendation to the trustees for the Deputy Headteacher.

Related parties and other connected charities and organisations

The Academy is connected to a charity numbered 1045616, The William Alvey PTA, which is a parent teacher association, raising funds for the school and whose stated objective is to "advance the education of the pupils of the school."

Carre's Grammar School, provides the Academy with sports outreach services throughout the year, one of our trustees, Rev P Johnson, also sits on the board of The Robert Carre Trust, the MAT which includes Carre's Grammar School.

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

Strategic report

A major development for the Academy during the year was the implementation of the first phase of our technology restructuring plan. This first phase involved the roll out of 90 iPads, one for each of the Year 6 children, for their daily use in school. Alongside the roll out, was the training of the teachers to ensure that the devices were put to maximum use as an integral part of daily learning. This proved to be very successful, with 3 teachers gaining Apple Teacher status.

Another major initiative for the year was to develop the teaching of reading, particularly from a comprehension perspective. This started with an analysis of current practice to identify any difficulties or barriers. Following this analysis, we worked closely with a reading consultant, Jane Ralph, from Talk for Reading, to help us to move forward. Jane worked with our staff to develop new schemes of work, introduce new books into our curriculum and opened our eyes to a completely new way of working. The full roll out will begin in September.

Due to the pandemic and the lockdown, our Curriculum Review has been disrupted and consequently, we did not achieve as much during the year as we had hoped to do. We took part in some CPD to strengthen our knowledge of the skills- based element of the curriculum. The Curriculum Review will continue into the new school year. We did however manage to work with the children, staff and Governors to produce a set of school values that are now on display around the school and are very much a driving force in our curriculum redesign.

We implemented changes to our SEND provision; employing two highly qualified SENCOs to work 5 days between them, an increase of 2 days from the previous year. This proved to be a very efficient and successful set up, which has allowed more time for extended work with the children, together with time to complete the onerous admin tasks associated with the role. A significant number of children have directly benefitted from these changes, with two extra children being awarded an EHCP, two children receiving extra support hours and a large number having specialist teaching.

Our outdoor area was further enhanced to create our own 'Forest School.' This included the reception children planting 140 trees, kindly supplied by the Woodland Trust, a woodland story telling area, mud kitchens, den building equipment and pathways created through an existing wooded area. This is an exciting area for the children and they have enjoyed being able to learn new skills and learn about how to look after the environment.

Most of the above was completed between September and March, at which point, many development areas were shelved to allow our attention to be focused on the lockdown situation. All 650 children were provided with work packs, containing four weeks work when they left the school on the eve of the lockdown. They also had access codes for our online learning platforms. The Key Worker and vulnerable children were quickly identified and in school provision set up for them. When the work packs ran out, an army of staff prepared and hand delivered further packs to each of the 650 children.

Wider reopening in June brought all our staff back who operated 22 bubbles of children from Reception, Year One and Year Six. Preparing for and carrying out all the necessary operations during a pandemic proved to be very challenging. The Academy was proactive in setting in place certain measures before the lockdown which were then regularly reviewed and refined as the situations changed. We shared these changes with our parents through a variety of different methods (Text, Website, Twitter and Facebook). The pandemic helped us develop a sophisticated programme of blended learning using Teams, Seesaw and the on-line curriculum produced by the Oak National Academy. Alongside our plan for remote learning there have been other positives from these changes, which we will be taking forward after we return to 'normal'; our use of support staff, using different entrances and exits and zoning our playgrounds, to name but a few.

Even with COVID, our work in the local community continued, we took part in the 'Big Draw' at Lincoln University, with the help of Sleaford Museum we started the transformation of our air raid shelter, we installed of a memorial bench in our peace garden and with a donation from Mr Bob Snowdon, who attended the school in the 1940s, we started a memorial book that is now on display in our front office.

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

Strategic report (continued)

Our link with the church was not diminished by these difficulties either. Our Bluey Club attended the licensing of Father Philip as the new Rural Dean, we took part in the annual St Denys' Colouring Competition once more and our school was the only local primary school to perform at the Christingle Service. This year we also performed at the International Day of Prayer at the Sleaford Methodist Church and a number of Staff were invited to break the fast at the Muslim Prayer House in Sleaford. Our virtual Easter egg decorating competition, judged by Mrs Risdell, our Bishop's visitor, was a great success too!

We supported the Macmillan coffee morning in September and on Lincolnshire Day, the money we raised was donated to the Lincolnshire and Nottinghamshire Air Ambulance on behalf of Lilly Mawson, one of our pupils who has been taking part in a 'challenge a month' and has now raised £3000 for the ambulance. Heart Links and Sport Relief also received generous donations from two of our non-uniform days. Our PTA carried on their excellent work and this year they helped introduce a school shoe swap scheme that we hope will help out those parents who find the cost of shoes a little too expensive.

Our success academically was also matched by our success in other fields:

Colsterworth Festival of Performing Arts
Mode Shift Stars Gold Award
Football champions
Netball champions
Chess winners
Indoor athletics silver medallist
Cross-country champions
Poetry by Heart finalist
Aqua splash silver medallist
Junior language challenge finalist
Reservist Forces Scheme silver award
Renaissance master school (top 15 nationally)
Children of Courage award winners

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.

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

Financial review

Reserves policy

Subject to the ESFA's constraints on permitted balances, the Academy's policy is to carry forward a prudent level of resources. Due to anticipated future cuts in funding, the situation will be kept under regular review. This review encompasses the nature of income and expenditure streams, the need to match income with the nature of reserves. The reserves of the Academy are monitored regularly and are considered sufficient for the Academy's requirements, such as to cover delays between the spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The trustees hold reserves on the basis of two months operating costs. In addition, as the school utilises the original stone buildings which are over 150 years old, the trustees are holding further reserves to address any structural needs which may occur.

At 31 August 2020, free reserves held amount to £40,593 and restricted general funds amount to £555,704.

The amount of funds which can only be realised by disposing of tangible fixed assets amounted to £3,488,974

The pension fund is in deficit by £882,000.

Total funds at 31 August 2020 amount to £3,203,651, and the balance on restricted general funds plus unrestricted general funds at 31 August 2020 results in a net surplus of £596,677.

Investment policy

If the level of free cash reserves held by the Academy exceed that which is necessary to service its ongoing working capital needs, the trustees, with reference to the short and longer-term forecasts will consider investment of any excess funds over an appropriate period, to maximise the return on any such surplus funds, while ensuring that risk is avoided insofar as is possible.

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

Principal risks and uncertainties

The Academy carried out a risk assessment in August 2019 and again in March, June and August 2020 due to the pandemic. The predominant risks that were identified were of a short-term nature resulting from the Covid-19 situation:

1. Human Resource Risk. There are a number of facets to this risk:

- low morale suffered by the workforce as a result of the constant changes and the unknown nature of what is to come,
- as the numbers of staff who are ill or have to isolate increases there will be difficulties ensuring classes are covered,
- anxiety caused by the effects of the virus on people's own health situations can cause problems with staff well-being.

2. Supplier Risk – as different parts of the country lockdown, will we still be able to source the equipment that we need.

3. Technology Risk

- ensuring staff are trained to an adequate level to make use of the technology in a remote learning situation
- ensuring children have access to and understand how to use the platforms that we will use in a remote learning situation

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

Financial review

Most of The Academy's income is obtained from the ESFA in the form of the General Annual Grant, the use of which is restricted to particular purposes. The grants received from the ESFA during this reporting period and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy is once again in a strong financial position. The lockdown had both positive and negative impact on our finances. There were certain contracts which we did not need to pay during lockdown as our suppliers had already accessed Government funding, the main one was for our UIFSM. However, there was a significant increase in the amount spent on cleaning supplies, extra cleaning hours, and hygiene products.

The year end position shows that we have a surplus which has been added to the Academy's reserves and will be used to deal with the ongoing financial pressures caused by the pandemic – catch-up programs, extra cleaning.

Using the benchmarking information, we have been able to ascertain that in the five main areas we are either in the middle or towards the lower levels of expenditure of the 15 schools deemed to be our statistical neighbours.

The trust held fund balances at 31 August 2020 of £3,203,651, comprising £555,704 of restricted funds, a fixed asset reserve of £3488,974, a pension reserve deficit of £882,000 and £40,973 of unrestricted general funds.

Most of The Academy's income is obtained from the ESFA in the form of the General Annual Grant, the use of which is restricted to particular purposes. The grants received from the ESFA during this reporting period and the associated expenditure are shown as restricted funds in the statement of financial activities.

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the period under review there was £478,156 GAG carried forward. Another key financial performance indicator is staffing costs as a percentage of recurrent income. For 2020 this was 83.4% (2019 – 82.6%) and this will be monitored in future periods.

The trust's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Trust's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the academy balance sheet shows a net liability of £882,000.

Fundraising

The William Alvey PTA, which is a parent teacher association, raises funds for the school and whose stated objective is to "advance the education of the pupils of the school."

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

Plans for future periods

iPads – In the next academic year, we will be implementing the second phase of our technology restructuring program which includes the introduction of another 210 iPads which will be shared between the other year groups in the school. This will allow the children to extend their knowledge but will also allow them to use the iPad as a tool as part of their everyday schooling. This will also free up our computers in other parts of the school for the rest of the children. This implementation will run alongside training for teachers, to ensure the new technology is put to its best possible use. Together with the iPads, we will also be updating the hardware in the two designated computer suites to ensure a more reliable provision.

Reading development – Further development of our teaching of reading will happen alongside the reading consultant from Talk for Reading. Implementation of the first phase will happen in September 2020.

Senco provision – we will be further improving our SEND provision this year; one of our SENCOs will work in the department 5 days per week whilst the other will do 4 days. Once again this extends the provision we are offering from 5 days to 9 days. Both of the SENCOs are training to be specialist teachers, which will allow them to do in-depth assessments of Literacy difficulties, make recommendations for teaching input and do a full dyslexia screening and teaching, if necessary. The new 9 days per week will give time for the assessment, carrying out the specialist work, observing children in the whole school and completing paperwork and meetings.

Curriculum review – We will be continuing with our curriculum review that was significantly disrupted last year, we will follow up from the CPD training we had and continue to work through the subjects, using the work done for the History curriculum as our model.

For our internal audit, we will be using an accountancy firm, Forrester Boyd, who are completely separate from the firm we use for our external audit.

As the fight against the pandemic continues, this will present us with many challenges. Firstly, there will be the need to assess and work on any learning gaps the children have due to the lockdown period out of school. Secondly, we will need to continue to develop our online provision to allow all children to work productively from home if there were another full lockdown or if smaller groups have to isolate. Finally, ensuring we are doing all we can to manage our environment and the people within it to keep everyone safe and healthy will be constantly at the forefront of our minds.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

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

.....
Mrs L Kirkman
Chair of Trustees

THE WILLIAM ALVEY SCHOOL TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of Trustees has delegated the day-to-day responsibility to the Head Teacher, 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 William Alvey School Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 5 times during the year. The sixth meeting was cancelled due to lockdown.

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

Trustee	Meetings attended	Out of a possible
Mrs L Kirkman	5	5
Mrs A Jay	5	5
Mr S Tapley, Head Teacher and Accounting Officer	5	5
Mr V Jones	4	5
Mrs S Creedon	3	5
Mrs E Weston, Staff Trustee	4	5
Rev P Johnson	2	5
Mrs A Snookes	5	5
Mrs C Nel	3	5
Mrs C Edwards	5	5
Mrs A Smith	3	3

To further realise the separation of the members and trustees, Mr J Henwood, who is totally independent of the academy, was appointed as a new Member of the Trust in January 2019. New governor, Mrs A Jay, was appointed to replace Mr P Smith after his resignation as parent governor, Mrs A Smith was elected as a parent governor when Mrs L Kirkman was appointed as a co-opted governor. Mrs A Jay was voted in as vice-chair, replacing Mrs C Nel and Mr V Jones, who had been interim joint vice-chairs.

The trustees continued to hold the Head Teacher to account in terms of process and outcome, challenging information presented at meetings and asking to review primary sources of data rather than simply relying on summarised evidence. The board recognised that this level of challenge necessitated a more in-depth subject knowledge than the majority of trustees possessed and as such should form part of a future training plan which the board have compiled.

The board continued to take an active role in strategic planning this year. Several members attended staff training events to better understand the priorities laid out in the SDP and have continued to access training through LA courses and update meetings. The committee structure of the board has been reorganised to include temporary working parties that assess and monitor key areas of the development plan (Curriculum and Well-Being). The chair has completed the "Development for Chairs" qualification, offered through the National Governance Association to ensure that the governing board is supported by the most current national advice and standards.

The Head teacher maintains a record of Governor visits (log) which is hyperlinked to the corresponding report/feedback and is available for all external bodies to review.

The Finance and Audit Committee is a sub-committee of the main board of Trustees. Its purpose is to:

- monitor the budget at various stages throughout the year
- monitor any possible over/underspend
- make themselves aware of reasons for any variance in the budget
- offer suggestions as to any solutions which may be possible
- report to the Full Governing Body
- act on any findings from the Internal Audit Report
- ensure systems and internal controls are being operated and are fit for purpose

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Our Internal Auditor has visited on two occasions this year. The Chair of trustees has attended a finance meeting on a monthly basis with the accounting officer and the chief financial officer; during lockdown, these reports were sent electronically.

In addition to this, the Finance and Audit Committee meet every quarter and the full governing body will see the reports on a bi-monthly basis.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs L Kirkman	4	4
Mr V Jones	4	4
Mrs A Jay	4	4

Review of value for money

As accounting officer, the Head Teacher 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:

- Securing a CIF Bid to fit carry out extensive repairs on the roof of the main school building.
- By changing the provider for our NQT induction work, we were able to secure a more comprehensive program for a similar outlay
- We used a charity called Business to Schools, who were able to supply us with a vast array of ex office equipment that we were able to put to good use.

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 William Alvey School Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the 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

The Board of Trustees has decided not to appoint an internal auditor. However, the Trustees have appointed Streets Audit LLP, the external auditors, to perform additional checks.

The academy trust's internal scrutiny arrangements are affected by the requirements of the newly revised FRC Ethical Standard for Auditors, effective from 15 March 2020, and as such new internal auditors will be appointed for the 2020/21 academic year.

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

- Review of the school development plan
- Review of the budgeting process
- Management reports
- Pecuniary Interests
- Data security
- Income
- Payroll
- VAT
- Purchasing
- Cash control
- Petty cash
- Insurance
- Risk management

On a semi-annual basis, the external auditors report to the board of Trustees through the Audit and Finance committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The external auditor has delivered their schedule of work as planned and no material control points were reported. Their report was reviewed by the trustees and the recommendations will be actioned.

Review of effectiveness

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

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the external auditors;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Finance 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:

.....
Mrs L Kirkman
Chair of Trustees

.....
Mr S Tapley
Accounting Officer

Date:

THE WILLIAM ALVEY SCHOOL TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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 2019.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA.

.....
Mr S Tapley
Accounting Officer

Date:

DRAFT

THE WILLIAM ALVEY SCHOOL TRUST
(A company limited by guarantee)

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make 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:

.....
Mrs L Kirkman
Chair of Trustees

Date:

THE WILLIAM ALVEY SCHOOL TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
WILLIAM ALVEY SCHOOL TRUST**

Opinion

We have audited the financial statements of The William Alvey School Trust (the 'academy') for the year ended 31 August 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (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 2019 to 2020 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 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

THE WILLIAM ALVEY SCHOOL TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE WILLIAM ALVEY SCHOOL TRUST (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has 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.

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

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

THE WILLIAM ALVEY SCHOOL TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
WILLIAM ALVEY SCHOOL TRUST (CONTINUED)**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

Mark Bradshaw (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Windsor House

A1 Business Park at

Long Bennington

Notts

NG23 5JR

Date:

THE WILLIAM ALVEY SCHOOL TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
WILLIAM ALVEY SCHOOL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 26 March 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The William Alvey School Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The William Alvey School Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The William Alvey School Trust 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 William Alvey School Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The William Alvey School Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The William Alvey School Trust's funding agreement with the Secretary of State for Education dated 30 September 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by 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.

Our audit work involved:

- a review of the Academy systems and controls and confirmation of their operation and effectiveness during the year;
- a detailed review of purchase transactions confirming the purpose, value for money and that appropriate tendering or quotation procedures had been followed in line with the Academy finance policy; and
- a review of the Internal Audit reports.

THE WILLIAM ALVEY SCHOOL TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
WILLIAM ALVEY SCHOOL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mark Bradshaw (Senior statutory auditor)
Streets Audit LLP

Windsor House
A1 Business Park at
Long Bennington
Notts
NG23 5JR

Date:

DRAFT

THE WILLIAM ALVEY SCHOOL TRUST
(A company limited by guarantee)

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	-	-	77,905	77,905	59,568
Charitable activities		53,212	2,728,258	-	2,781,470	2,591,645
Other trading activities		3,225	-	-	3,225	3,901
Investments	6	299	-	-	299	329
Total income		56,736	2,728,258	77,905	2,862,899	2,655,443
Expenditure on:						
Raising funds		1,416	-	-	1,416	886
Charitable activities		49,633	2,725,999	117,466	2,893,098	2,727,688
Total expenditure		51,049	2,725,999	117,466	2,894,514	2,728,574
Net income/ (expenditure)		5,687	2,259	(39,561)	(31,615)	(73,131)
Transfers between funds	16	-	(55,008)	55,008	-	-
Net movement in funds before other recognised gains/(losses)		5,687	(52,749)	15,447	(31,615)	(73,131)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	22	-	41,000	-	41,000	(302,000)
Net movement in funds		5,687	(11,749)	15,447	9,385	(375,131)
Reconciliation of funds:						
Total funds brought forward		35,286	(314,547)	3,473,527	3,194,266	3,569,397
Net movement in funds		5,687	(11,749)	15,447	9,385	(375,131)

THE WILLIAM ALVEY SCHOOL TRUST
(A company limited by guarantee)

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

Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Total funds carried forward	<u>40,973</u>	<u>(326,296)</u>	<u>3,488,974</u>	<u>3,203,651</u>	<u>3,194,266</u>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 31 to 57 form part of these financial statements.

THE WILLIAM ALVEY SCHOOL TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07737302

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	3,480,721	3,465,679
		<u>3,480,721</u>	<u>3,465,679</u>
Current assets			
Debtors	14	108,762	93,470
Cash at bank and in hand		766,832	590,714
		<u>875,594</u>	<u>684,184</u>
Creditors: amounts falling due within one year	15	(270,664)	(166,597)
		<u>604,930</u>	<u>517,587</u>
Net current assets		604,930	517,587
Total assets less current liabilities		4,085,651	3,983,266
Net assets excluding pension liability		4,085,651	3,983,266
Defined benefit pension scheme liability	22	(882,000)	(789,000)
Total net assets		3,203,651	3,194,266

THE WILLIAM ALVEY SCHOOL TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07737302

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Funds of the Academy			
Restricted funds:			
Fixed asset funds	16	3,488,974	3,473,527
Restricted income funds	16	555,704	474,453
		<u>4,044,678</u>	<u>3,947,980</u>
Restricted funds excluding pension asset	16	4,044,678	3,947,980
Pension reserve	16	(882,000)	(789,000)
		<u>3,162,678</u>	<u>3,158,980</u>
Total restricted funds	16	3,162,678	3,158,980
Unrestricted income funds	16	40,973	35,286
		<u>3,203,651</u>	<u>3,194,266</u>
Total funds		3,203,651	3,194,266

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 26 to 57 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

.....
Mrs L Kirkman
Chair of Trustees

Date:

The notes on pages 31 to 57 form part of these financial statements.

THE WILLIAM ALVEY SCHOOL TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	18	230,422	<i>(61,738)</i>
Cash flows from investing activities	19	(54,304)	<i>(90,110)</i>
Change in cash and cash equivalents in the year		176,118	<i>(151,848)</i>
Cash and cash equivalents at the beginning of the year		590,714	742,562
Cash and cash equivalents at the end of the year	20, 21	766,832	<i>590,714</i>

The notes on pages 31 to 57 form part of these financial statements

DRAFT

THE WILLIAM ALVEY SCHOOL TRUST
(A company limited by guarantee)

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

1. Accounting policies

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

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 2019 to 2020 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.

• **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.

THE WILLIAM ALVEY SCHOOL TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

This includes all expenditure incurred by the Academy 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.

THE WILLIAM ALVEY SCHOOL TRUST
(A company limited by guarantee)

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

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.

The land and buildings occupied by the Academy were recognised as leasehold property additions in the accounts for the year ended 31 August 2012 using a valuation carried out on behalf of the ESFA at that year-end. This was based on the Trustees' assessment that they retain the risks and rewards of the property. Notwithstanding this, the formal ownership of the land and buildings from which the Academy has operated for over 150 years is subject to ongoing investigation. The ESFA has been made aware of this, and the Trustees will continue to make enquiries to resolve the matter.

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

Depreciation is provided on the following bases:

Long-term leasehold property	- 10% straight line on improvements
Furniture and equipment	- 25% straight line
Computer equipment	- 25% straight line

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.

THE WILLIAM ALVEY SCHOOL TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

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.

1.10 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 14. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

THE WILLIAM ALVEY SCHOOL TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

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/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.12 Fund accounting

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

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

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

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

THE WILLIAM ALVEY SCHOOL TRUST
(A company limited by guarantee)

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The land and buildings occupied by the Academy were recognised as leasehold property additions in the accounts for the period ended 31 August 2012 using a valuation carried out on behalf of the ESFA at that period-end. The formal ownership of the land and buildings is subject to ongoing investigation. However, based on the Trustees' assessment that they retain the risks and rewards of the property from which the school has operated for over 150 years, the value of the property has been included in the financial statements. The ESFA has been made aware of this, and the Trustees will continue to make enquiries to resolve the matter.

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FOR THE YEAR ENDED 31 AUGUST 2020

3. Income from donations and capital grants

	Restricted fixed asset funds 2020 £	Total funds 2020 £
Capital grants	77,905	77,905

	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Capital grants	59,568	59,568

4. Funding for the Academy's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
General Annual Grant (GAG)	-	2,229,500	2,229,500
Other DfE/ESFA grants	-	416,468	416,468
Local Authority grants	-	82,290	82,290
Other income	53,212	-	53,212
	<u>53,212</u>	<u>2,728,258</u>	<u>2,781,470</u>

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4. Funding for the Academy's educational operations (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
General Annual Grant (GAG)	-	2,103,203	2,103,203
Other DfE/ESFA grants	-	327,191	327,191
Local Authority grants	-	90,056	90,056
Other income	71,195	-	71,195
	<u>71,195</u>	<u>2,520,450</u>	<u>2,591,645</u>

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Sale of goods	220	220
Hire of facilities	3,005	3,005
	<u>3,225</u>	<u>3,225</u>

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Sale of goods	481	481
Hire of facilities	3,420	3,420
	<u>3,901</u>	<u>3,901</u>

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FOR THE YEAR ENDED 31 AUGUST 2020

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Bank interest	299	299

	Unrestricted funds 2019 £	Total funds 2019 £
Bank interest	329	329

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

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Expenditure on fundraising trading activities:				
Direct costs	-	-	1,416	1,416
Academy's Educational Operations:				
Direct costs	2,144,861	-	260,527	2,405,388
Allocated support costs	225,698	86,097	175,915	487,710
	<u>2,370,559</u>	<u>86,097</u>	<u>437,858</u>	<u>2,894,514</u>
	<u>Staff Costs 2019 £</u>	<u>Premises 2019 £</u>	<u>Other 2019 £</u>	<u>Total 2019 £</u>
Expenditure on fundraising trading activities:				
Direct costs	-	-	886	886
Academy's Educational Operations:				
Direct costs	1,918,992	-	275,763	2,194,755
Allocated support costs	225,524	94,705	212,704	532,933
	<u>1,918,992</u>	<u>94,705</u>	<u>212,704</u>	<u>2,226,399</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Academy's Educational Operations	<u>2,405,388</u>	<u>487,710</u>	<u>2,893,098</u>

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FOR THE YEAR ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities (continued)

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Academy's Educational Operations	2,194,755	532,933	2,727,688

Analysis of support costs

	Academy's Educational Operations 2020 £	Total funds 2020 £
Staff costs	225,698	225,698
Premises costs	86,097	86,097
Technology costs	15,331	15,331
Other support costs	151,534	151,534
Governance costs	9,050	9,050
Total 2020	487,710	487,710

	<i>Academy's Educational Operations 2019 £</i>	<i>Total funds 2019 £</i>
Staff costs	225,524	225,524
Premises costs	94,705	94,705
Technology costs	11,788	11,788
Other support costs	194,292	194,292
Governance costs	6,624	6,624
<i>Total 2019</i>	532,933	532,933

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NOTES TO THE FINANCIAL STATEMENTS
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9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	5,796	8,605
Depreciation of tangible fixed assets	117,466	115,252
Fees paid to auditors for:		
- audit	4,500	3,250
- other services	2,225	2,525
	117,466	115,252

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	1,732,064	1,656,477
Social security costs	151,916	137,282
Pension costs	486,579	350,757
	2,370,559	2,144,516

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	34	32
Administration & Support	49	54
Management	1	1
	84	87

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

10. Staff (continued)

b. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2020	<i>2019</i>
	No.	<i>No.</i>
Teachers	30	<i>27</i>
Administration & Support	35	<i>35</i>
Management	1	<i>1</i>
	66	<i>63</i>

c. Higher paid staff

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

	2020	<i>2019</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	1	<i>1</i>
In the band £70,001 - £80,000	1	<i>1</i>

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) received by key management personnel for their services to the Academy was £350,521 (2019 £319,603).

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NOTES TO THE FINANCIAL STATEMENTS
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11. 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:

		2020	<i>2019</i>
		£	£
Mr S Tapley, Head Teacher and Accounting Officer	Remuneration	75,000 -	<i>75,000 -</i>
		80,000	<i>80,000</i>
	Pension contributions paid	15,000 -	<i>10,000 -</i>
		20,000	<i>15,000</i>
Mrs K Camm (resigned 23 September 2019)	Remuneration	nil	<i>45,000 -</i>
			<i>50,000</i>
	Pension contributions paid	nil	<i>5,000 -</i>
			<i>10,000</i>
Mrs E Weston, Staff Trustee	Remuneration	40,000 -	<i>40,000 -</i>
		45,000	<i>45,000</i>
	Pension contributions paid	5,000 -	<i>5,000 -</i>
		10,000	<i>10,000</i>

During the year ended 31 August 2020, no Trustee expenses have been incurred (*2019 - £67*).

12. Trustees' and Officers' insurance

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

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13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2019	3,755,747	59,674	98,738	3,914,159
Additions	58,498	-	74,010	132,508
At 31 August 2020	<u>3,814,245</u>	<u>59,674</u>	<u>172,748</u>	<u>4,046,667</u>
Depreciation				
At 1 September 2019	313,372	46,608	88,500	448,480
Charge for the year	98,175	4,585	14,706	117,466
At 31 August 2020	<u>411,547</u>	<u>51,193</u>	<u>103,206</u>	<u>565,946</u>
Net book value				
At 31 August 2020	<u><u>3,402,698</u></u>	<u><u>8,481</u></u>	<u><u>69,542</u></u>	<u><u>3,480,721</u></u>
At 31 August 2019	<u><u>3,442,375</u></u>	<u><u>13,066</u></u>	<u><u>10,238</u></u>	<u><u>3,465,679</u></u>

The Academy's land and buildings additions relate to roofing works.

14. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	-	630
Other debtors	25,466	33,621
Prepayments and accrued income	83,296	59,219
	<u><u>108,762</u></u>	<u><u>93,470</u></u>

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

	2020 £	2019 £
Trade creditors	121,513	25,586
Other taxation and social security	36,940	33,329
Other creditors	42,727	33,892
Accruals and deferred income	69,484	73,790
	<u>270,664</u>	<u>166,597</u>
	2020 £	2019 £
Deferred income at 1 September 2019	63,533	56,974
Resources deferred during the year	63,484	63,533
Amounts released from previous periods	(63,533)	(56,974)
	<u>63,484</u>	<u>63,533</u>

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals income, rates relief income and other curriculum income relating to the 2020/21 academic year.

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

16. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General funds	35,286	56,736	(51,049)	-	-	40,973
Restricted general funds						
General Annual Grant (GAG)	436,528	2,229,500	(2,132,864)	(55,008)	-	478,156
Other DfE/ESFA grants	37,925	416,468	(376,845)	-	-	77,548
LA grants	-	82,290	(82,290)	-	-	-
Pension reserve	(789,000)	-	(134,000)	-	41,000	(882,000)
	<u>(314,547)</u>	<u>2,728,258</u>	<u>(2,725,999)</u>	<u>(55,008)</u>	<u>41,000</u>	<u>(326,296)</u>
Restricted fixed asset funds						
Transfer to former school	2,774,000	-	-	-	-	2,774,000
ESFA capital grants	59,568	77,905	(94,044)	-	-	43,429
Capital expenditure from GAG	499,252	-	(3,957)	55,008	-	550,303
Other activities	140,707	-	(19,465)	-	-	121,242
	<u>3,473,527</u>	<u>77,905</u>	<u>(117,466)</u>	<u>55,008</u>	<u>-</u>	<u>3,488,974</u>
Total Restricted funds	<u>3,158,980</u>	<u>2,806,163</u>	<u>(2,843,465)</u>	<u>-</u>	<u>41,000</u>	<u>3,162,678</u>
Total funds	<u><u>3,194,266</u></u>	<u><u>2,862,899</u></u>	<u><u>(2,894,514)</u></u>	<u><u>-</u></u>	<u><u>41,000</u></u>	<u><u>3,203,651</u></u>

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

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16. Statement of funds (continued)

Unrestricted funds

Unrestricted funds represent both those resources, as well as funds transferred to the Academy from the Local Authority upon conversion, which may be used towards meeting any of the objects of the Academy at the discretion of the Trustees. These are not currently designated for particular purposes.

Restricted Fixed Asset funds

Transfer from Local Authority on conversion represents the assets transferred to the Academy from the Local Authority upon conversion.

Capital expenditure from GAG represents fixed asset expenditure transferred from other restricted income.

Restricted Revenue funds

General Annual Grant (GAG) is made up of a number of different funding streams, all of which are used to cover the running costs of the Academy.

Other ESFA Grants, other government grants and other restricted funds represent monies received for specific purposes.

Pension Reserve represents the current deficit balance of the Local Government Pension Scheme (LGPS).

Transfers between funds represent the use of recurrent income being used to fund capital expenditure.

Summary

The balance on restricted general funds plus unrestricted general funds at 31 August 2020 results in a net surplus of £596,677.

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 2020.

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

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NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds						
General funds	24,551	75,425	(64,690)	-	-	35,286
Restricted general funds						
General Annual Grant (GAG)	474,180	2,103,203	(2,042,568)	(98,287)	-	436,528
Other DfE/ESFA grants	33,742	327,191	(323,008)	-	-	37,925
LA grants	-	90,056	(90,056)	-	-	-
Pension reserve	(394,000)	-	(93,000)	-	(302,000)	(789,000)
	<u>113,922</u>	<u>2,520,450</u>	<u>(2,548,632)</u>	<u>(98,287)</u>	<u>(302,000)</u>	<u>(314,547)</u>
Restricted fixed asset funds						
Transfer to former school	2,774,000	-	-	-	-	2,774,000
ESFA capital grants	-	59,568	-	-	-	59,568
Capital expenditure from GAG	491,204	-	(90,239)	98,287	-	499,252
Donation from Local Authority	158,449	-	(17,742)	-	-	140,707
Other activities	7,271	-	(7,271)	-	-	-
	<u>3,430,924</u>	<u>59,568</u>	<u>(115,252)</u>	<u>98,287</u>	<u>-</u>	<u>3,473,527</u>
Total Restricted funds	<u>3,544,846</u>	<u>2,580,018</u>	<u>(2,663,884)</u>	<u>-</u>	<u>(302,000)</u>	<u>3,158,980</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

	<i>Balance at 1 September 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2019</i>
	£	£	£	£	£	£
Total funds	<u>3,569,397</u>	<u>2,655,443</u>	<u>(2,728,574)</u>	<u>-</u>	<u>(302,000)</u>	<u>3,194,266</u>

17. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020	Restricted funds 2020	Restricted fixed asset funds 2020	Total funds 2020
	£	£	£	£
Tangible fixed assets	-	-	3,480,721	3,480,721
Current assets	40,973	826,368	8,253	875,594
Creditors due within one year	-	(270,664)	-	(270,664)
Provisions for liabilities and charges	-	(882,000)	-	(882,000)
Total	<u>40,973</u>	<u>(326,296)</u>	<u>3,488,974</u>	<u>3,203,651</u>

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019</i>	<i>Restricted funds 2019</i>	<i>Restricted fixed asset funds 2019</i>	<i>Total funds 2019</i>
	£	£	£	£
Tangible fixed assets	-	-	3,465,679	3,465,679
Current assets	35,286	636,497	12,401	684,184
Creditors due within one year	-	(162,044)	(4,553)	(166,597)
Provisions for liabilities and charges	-	(789,000)	-	(789,000)
Total	<u>35,286</u>	<u>(314,547)</u>	<u>3,473,527</u>	<u>3,194,266</u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of financial activities)	(31,615)	(73,131)
Adjustments for:		
Depreciation	117,466	115,252
Capital grants from DfE and other capital income	(77,905)	(59,568)
Interest receivable	(299)	(329)
Defined benefit pension scheme cost less contributions payable	118,000	81,000
Defined benefit pension scheme finance cost	16,000	12,000
(Increase)/decrease in debtors	(15,292)	35,579
Increase/(decrease) in creditors	104,067	(172,541)
Net cash provided by/(used in) operating activities	230,422	(61,738)

19. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	299	329
Purchase of tangible fixed assets	(132,508)	(150,007)
Capital grants from DfE Group	77,905	59,568
Net cash used in investing activities	(54,304)	(90,110)

20. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	766,832	590,714
Total cash and cash equivalents	766,832	590,714

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

21. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	590,714	176,118	766,832
	<u>590,714</u>	<u>176,118</u>	<u>766,832</u>

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NOTES TO THE FINANCIAL STATEMENTS
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22. 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 Lincolnshire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £42,711 were payable to the schemes at 31 August 2020 (2019 - £33,805) 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.

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FOR THE YEAR ENDED 31 AUGUST 2020

22. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £282,782 (2019 - £188,085).

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 2020 was £115,000 (2019 - £108,000), of which employer's contributions totalled £90,000 (2019 - £84,000) and employees' contributions totalled £ 25,000 (2019 - £24,000). The agreed contribution rates for future years are 20.4 per cent for employers and various per cent for employees.

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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22. Pension commitments (continued)

Principal actuarial assumptions

	2020	<i>2019</i>
	%	%
Rate of increase in salaries	2.5	2.7
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9
Commutation of pensions to lump sums	50	50

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

	2020	<i>2019</i>
	Years	Years
<i>Retiring today</i>		
Males	214	21.2
Females	237	23.5
<i>Retiring in 20 years</i>		
Males	22.4	22.5
Females	25.2	25.2

Sensitivity analysis

	2020	<i>2019</i>
	£000	£000
Discount rate +0.1%	55	57
Mortality assumption - 1 year increase	77	77

Share of scheme assets

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

	2020	<i>2019</i>
	£	£
Equities	722,000	837,000
Corporate bonds	209,000	183,000
Property	105,000	115,000
Cash and other liquid assets	10,000	11,000
Total market value of assets	1,046,000	1,146,000

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

22. Pension commitments (continued)

The actual return on scheme assets was £(208,000) (2019 - £63,000).

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

	2020 £	2019 £
Current service cost	(208,000)	(156,000)
Past service cost	-	(9,000)
Interest income	23,000	29,000
Interest cost	(39,000)	(41,000)
Total amount recognised in the Statement of financial activities	(224,000)	(177,000)

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

	2020 £	2019 £
At 1 September	1,935,000	1,372,000
Current service cost	208,000	156,000
Interest cost	39,000	41,000
Employee contributions	25,000	24,000
Actuarial (gains)/losses	(272,000)	336,000
Benefits paid	(7,000)	(3,000)
Past service costs	-	9,000
At 31 August	1,928,000	1,935,000

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

	2020 £	2019 £
At 1 September	1,146,000	978,000
Interest income	23,000	29,000
Actuarial (losses)/gains	(231,000)	34,000
Employer contributions	90,000	84,000
Employee contributions	25,000	24,000
Benefits paid	(7,000)	(3,000)
At 31 August	1,046,000	1,146,000

THE WILLIAM ALVEY SCHOOL TRUST
(A company limited by guarantee)

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

23. Operating lease commitments

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

	2020 £	2019 £
Not later than 1 year	5,400	4,446
Later than 1 year and not later than 5 years	9,449	-
	<u>14,849</u>	<u>4,446</u>

24. 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.

25. 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.

The Robert Carre Trust is a multi-academy trust in which one of the Academy's trustees is a Member. During the year the academy has made payments of £10,260 (2019 - £11,560) to The Robert Carre Trust in respect of school clubs and PE coaching, with no amounts outstanding at the year end. All transactions are at arm's length.

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.