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**THE WILLIAM ALVEY SCHOOL TRUST**

(A company limited by guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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

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**CONTENTS**

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	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 13
Governance statement	14 - 18
Statement on regularity, propriety and compliance	19
Statement of Trustees' responsibilities	20
Independent auditors' report on the financial statements	21 - 23
Independent reporting accountant's report on regularity	24 - 25
Statement of financial activities incorporating income and expenditure account	26 - 27
Balance sheet	28 - 29
Statement of cash flows	30
Notes to the financial statements	31 - 54

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	Mrs C Nel Ms J Waters-Dewhurst Mr J Henwood (appointed 1 January 2019) Mrs L Kirkman Mr V Jones
<b>Trustees</b>	Mrs E Sinclair (resigned 24 September 2018) Mrs L Kirkman, Chair of Trustees Mrs A Jay (appointed 7 December 2018) Mr S Tapley, Head Teacher and Accounting Officer Mr V Jones Mrs S Creedon Mrs K Camm, Staff Trustee Mrs E Weston, Staff Trustee Rev P Johnson Mr P Smith (resigned 12 November 2018) Mrs A Snookes Mrs C Nel Mrs C Edwards Mrs G Jakeaway
<b>Company registered number</b>	07737302
<b>Company name</b>	The William Alvey C.E. Primary School
<b>Principal and registered office</b>	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 2019**

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

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**THE WILLIAM ALVEY SCHOOL TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

The 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 2019**

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**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 2019**

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**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/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), Mr. V. Jones, 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 2019**

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**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 2019**

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**Objectives and activities**

**Objects and aims**

The principal object and activity of the charitable company is the operation of The William Alvey CE School ("The Academy") to provide education for pupils of different abilities between the ages of 4 and 11.

The main objectives of the Academy during the period ended 31st August 2019 are summarised below:

- to ensure that every child, without prejudice, enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

**Objectives, strategies and activities**

In order to achieve the above aims, the following specific Key Priorities were established for the Academic year 2018-2019 and were identified in the SDP:

Key Priority 1 – Tracking of pupil progress and attainment is closely monitored.

Key Priority 2 – Behaviour and Safety-continue to develop skilled behaviour management techniques

Key Priority 3 – Leadership and Management - across all levels, trustees, senior managers, middle managers, (Literacy, Numeracy, SENCO) and subject co-ordinators, leaders actively promote rapid progress for all children

Key Priority 4 - Update vision and review curriculum

Key Priority 5 - Review mental health and well-being provision (staff and children)

**Public benefit**

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

**Strategic report**

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

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**Strategic report (continued)**

**Strategic report (continued)**

**Achievements and performance**

The Academy has been very successful once again in terms of the achievements of the children in the statutory tests. All aspects at KS2 are well above both National and Local achievements. Our drive to improve GPS and embed a true understanding has resulted in a rise of achievement for the second year running. Attainment in maths has reached our highest level under the current testing regime. Whilst the results in Reading are good we will focus on this aspect in the coming year to bring it in line with the other subjects.

School life beyond the tests has been very full and enriched, with the children attending numerous visits to enhance the curriculum provision and provide first hand experiences.

Our thriving music department has continued to grow with approximately 60 children learning to play musical instruments (guitar, piano, violin, clarinet, flute), this is in addition to curricular music where all children learn to play recorders, ocarinas and keyboard. These children feed into our 30 strong orchestra, which meets every Monday.

Many of the children join the various choirs we have in school and attend events around the town. A group once again attended the Young Voices event in Sheffield – which involved them in a truly awe-inspiring experience.

The school provided a wide range of extra-curricular clubs and activities for the children, these included: an art club, two choirs, an orchestra, dance club, Change for Life club, archery as well as the more traditional sporting activities, such as netball, football, rugby and cricket. We added three additional sections to the school website, celebrating our involvement in 'Dance and Drama', 'Art' and 'Music'. These extra sections build on our original 'Sports' pages.

Towards the end of the financial year we began to develop our outside area, with significant help from local businesses and the PTA we have been able to create the beginnings of a forest area. The area incorporates a dragon chiminea, log throne and story area, mud kitchen and den building spaces. We also successfully applied to the Woodland Trust for 140 new trees which we will plant in the new financial year.

The Academy put aside £100 000 to continue with the refurbishment of the school which began last year. Prior to this round of development, the school had not seen any updating for over 25 years. The most significant refurbishment was of the reception area of the school; this area consisted of two small offices, with a tiny walkway between, the remodelling expanded the area and resized an overlarge staircase, providing a parent waiting area and a new reception counter.

Refurbishment of an old outside toilet block was also completed this year, together with the erection of an all-weather canopy in EYFS.

Having completed the refurbishment of the school offices in October, we turned our attention to a new SEN suite of rooms, this suite now comprises 3 refurbished rooms to allow for office space, meeting space and a one to one counselling room.

A further refurbishment project of a disused changing room has given the school space to have a small conference room. This dedicated space allows larger groups of people to meet in a comfortable facility.

A mobile classroom has been renovated internally to create four small pods, this allows KS2 year groups a dedicated space to work, without interruption, for small group intervention.

A successful CIF bid allowed the school to carry out some much-needed security work over the summer. This

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

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**Strategic report (continued)**

**Strategic report (continued)**

project saw the erection of a perimeter fence and entry barrier to the school.

We have extended our Apprenticeship provision to include not only five classroom based Supporting Teaching and Learning Apprentices but also a new Sports Apprentice, who supplements both our lunchtime provision and our involvement in the local, weekly Festival Friday events.

Overall attendance at the Academy in 2018-2019 was 96%, fractionally above the previous year and in line with the local average. Pupil numbers rose to 640, this continues to put the William Alvey in the highest percentile, the top 20% of schools, in terms of overall size.

The PTA have had another very successful year, organising discos, cake sales, bag2school collections, bingo and quiz nights and this year they included a very well attended Christmas fair. The money raised by the PTA was spent on subsidising trips for every year group, sports equipment, hall lighting, equipment for our forest school area and some remote-control cars!

In the Summer Term the Year 6 children were again given the choice of three projects. The Year 6 Production of 'Beauty and The Beast' was amazing; a real credit to the work of the staff and children. Another group built their own Robots and took part in their own version of Robot Wars attended by one of the original inventors and the third group held a super art exhibition using i-pads and linked software to produce some innovative self-portraits.

The Clergy from St Denys' continued its programme of visits, tirelessly supported by the work of the Bishop's Visitor, Mrs Beryl Risdell. The children attended the local Church Schools Festival. The Choir sang in the Church for the Christingle Service and the School Carol Service. Once more the school ended the Summer Term with a celebration of the life and work of William Alvey.

The children and staff continued the work of Peter Thornton who produced a history of the school in the early 1990's; photographs, pictures and letters were subsequently linked to Peter's original analysis of the school log books. As part of our more recent research the school received two medals from the family of Mary Walls Beavis, our first ever female Head Teacher, who combined her duties at the school with that of a VAD nurse during WWI. More tragically, Bob Snowden, who as a ten-year old boy, witnessed the death of a friend on Eastgate in 1946, returned to the school in the summer, for the first time in 73 years to present a memorial bench and book to the children and to finally 'lay a ghost to rest'.

**Notable Achievements 2018-19**

Master School Status  
Platinum School Games Award  
Success at the mini-Olympics  
Numerous successful choir performances  
Orchestra performances  
Athletics county finalists  
Cross country champions  
Football champions  
Volleyball winners  
Orienteering champions  
Swimming champions  
Y4/5 Cricket Champions  
Lacrosse runners up  
Equestrian bronze medallists  
Dance runners up

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

**Strategic report (continued)**

**Strategic report (continued)**

Public Speaking winners

**Key performance indicators**

Stage	School	School	National	LA
Foundation Stage	2019	2018	2019 (Nat)	2019 (LA)
% achieving GLD	76%	74%	72%	70%
% Expected across all ELG	75%	74%	71%	69%
Average Point Score	37	37	31	34
Year 1 Phonics Test	83%	86%	82%	81%
Key Stage One				
Reading GDS	29%	32%	25%	23%
Reading EXS+	73%	75%	75%	71%
Writing GDS	20%	25%	15%	14%
Writing EXS+	75%	76%	69%	67%
Maths GDS	22%	28%	22%	19%
Maths EXS+	76%	81%	76%	73%
RW&M GDS	12%	18%	11%	11%
RW&M EXS+	68%	69%	65%	62%
Key Stage Two				
Reading GDS	34%	31%	27%	23%
Reading EXS+	84%	85%	73%	68%
Writing GDS	29%	17%	20%	18%
Writing EXS+	85%	84%	78%	77%
Maths GDS	37%	22%	27%	22%
Maths EXS+	93%	86%	79%	74%
GPS GDS	47%	21%	78%	74%
GPS EXS	89%	85%	36%	30%
RW&M EXS+	80%	75%	65%	60%
RW&M GDS	13%	7%	11%	8%

**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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**THE WILLIAM ALVEY SCHOOL TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Strategic report (continued)**

**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 schools utilise 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 2019, free reserves held amount to £35,286 and restricted general funds amount to £474,453.

The amount of funds which can only be realised by disposing of tangible fixed assets amounted to £3,465,679.

The pension fund is in deficit by £789,000.

Total funds at 31 August 2019 amount to £3,194,266, and the balance on restricted general funds plus unrestricted general funds at 31 August 2019 results in a net surplus of £509,739.

**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.

**Principal risks and uncertainties**

The Academy has carried out an extensive risk assessment review in October 2018 which has been reviewed in October 2019. The predominant risks that were identified are:

**Strategic and Reputational risks:**

1. Competition risk: The proposed building of 2,600 houses and a new school on the opposite side of the town from the Academy presents us with a greater competition risk. We have identified that we need to remain focused on our reputation within the local community to ensure that prospective parents view the Academy as their first choice option. The Academy maintains a strong presence in the local community.
2. Information security/cyber risk or attack. The overall risk to IT needs to be managed with diversity and planning. Systems are, where possible, duplicated. Data is backed up and stored offsite. GDPR regulations are followed and all laptops are encrypted.
3. With a growing number of children with serious medical conditions in our school, it is essential that key staff and staff with specific responsibility to these children are highly trained and that other staff are aware of the needs of these children and what to do in an emergency.

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

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**Strategic report (continued)**

**Financial review (continued)**

**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. This year a further £100,000 was ear marked for premises improvement, which has made a significant difference to the fabric of the school.

The year-end position shows that we have used approximately £23,000 of the Academy's contingency to achieve the additional works from this year.

Using the benchmarking information we have been able to ascertain that we spend more money on teaching staff than our statistical neighbours this is because we use extra teaching staff to make teaching groups for numeracy and literacy smaller than normal class sizes. We spend significantly less money on administrative support which we have increased slightly for the new financial year. We were extremely pleased that our efficiency metric was a 1 on the efficiency metric tool.

The trust held fund balances at 31 August 2019 of £3,194,266, comprising £474,453 of restricted funds, a fixed asset reserve of £3,473,527, a pension reserve deficit of £789,000 and £35,286 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.

During the year ended 31 August 2019, total restricted revenue expenditure of £2,455,632 was less than recurrent restricted grant funding from the ESFA together with other restricted incoming resources. The excess of income over expenditure for the period was £64,818.

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 £436,528 GAG carried forward. Another key financial performance indicator is staffing costs as a percentage of recurrent income. For 2019 this was 80.3% (2018 – 80.3%) 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 £789,000.

**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."

The Academy raised funds for Children in Need, Macmillan Nurses and Sport Relief. The PTA have had another very successful year, organising discos, cake sales, bag2school collections, a movie night, bingo and quiz nights and this year they included a very well attended summer fair.

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

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**Plans for future periods**

iPad - We will be extending our ICT provision this year by providing every Y6 child with an exclusive iPad for use in 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. Together with the iPad, we will also be updating the hardware in the two designated computer suites to ensure a more reliable provision.

Reading dev – Whilst not a major problem, reading is shown in our testing to be the weakest area. As a result of this, we have embarked on a development year for reading in which the working group will review current provision, identify barriers and analyse the teaching of reading. The group will make and help to implement recommendations.

Carpeting – the main part of the school is carpeted, but has been done piecemeal over a number of years, the result is a range of colours and different amounts of wear throughout the building. This year we plan to put the same carpet throughout the building.

Extend forest school provision – We will be painting 140 trees in the forest area and will apply for another 140 for March. We will also include a story throne, chiminea, a mud kitchen and further den building equipment – all of which will enhance the forest area for all children to participate in.

Senco provision – We will be increasing our SENCO provision from 3 days to 5 days – this will allow more time to try to get ahead of the needs of the children at an earlier stage, rather than just dealing with the children already receiving support.

Curriculum review – We will be continuing with our curriculum review that began last year, having completed History and Art, we will be moving to Geography and Design Technology in the first instance – we will be using the same skills-based approach that we have already used for History and Art. These changes will be implemented in January at which point we will move the review to Music and PSHE.

**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)

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**THE WILLIAM ALVEY SCHOOL TRUST**  
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**GOVERNANCE STATEMENT**

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**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.

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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**THE WILLIAM ALVEY SCHOOL TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance**

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

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

Trustee	Meetings attended	Out of a possible
Mrs L Kirkman, Chair of Trustees	6	6
Mrs A Jay	4	4
Mr S Tapley, Head Teacher and Accounting Officer	6	6
Mr V Jones	5	6
Mrs S Creedon	4	6
Mrs K Camm, Staff Trustee	3	6
Mrs E Weston, Staff Trustee	4	6
Rev P Johnson	4	6
Mr P Smith	1	1
Mrs A Snookes	6	6
Mrs C Nel	6	6
Mrs C Edwards	3	6
Mrs G Jakeaway	5	6

Over the course of the year, a new member was appointed, Mr John Henwood, this was done to try to further realise the separation of the members and the trustees. Following the resignation of Mrs Emma Sinclair, the trustees appointed a new Chair, Mrs Leah Kirkman and appointed Mrs Claudia Nel and Mr Vince Jones as 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 took a more active role in strategic planning this year. Several members attended training events organised by the Diocese. As the resulting effect was a positive one, the trustees have decided to extend this model in order to facilitate a greater role in strategic planning in 2019-2020. This will involve a slight reorganisation of meetings and board procedure.

The board is looking to change the dynamics of meetings over the course of the next year. This new direction has arisen from an indicated change in the Chairship and a review of the board's impact after attending several training workshops in 2018-2019.

The board has taken on the new ESFA financial monitoring advice. Appointing an outside agency as the responsible officer and increasing the regularity of financial monitoring both at a board level and by the Chair.

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 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

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

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

- offer suggestions as to any solutions which may be possible
- report to the Full Governing Body
- act on any advice from the RO
- ensure systems and internal controls are being operated and are fit for purpose.

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 K Camm	4	4
Mr P Smith	1	1
Mrs A Jay	2	2

**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 a security fence and entrance control to enhance the safety of the pupils and staff at the school.
- For the refurbishment of SENCO offices and workrooms including a meeting space and sensory room, rather than use one contractor to do the whole job, we broke the work up into component parts and saved approximately £10 000.
- When setting up the new forest area we were able to use generous donations from local businesses who are sympathetic to the schools needs, this saved a great deal of money and offers a completely new learning area for the pupils.

**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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

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

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Capacity to handle risk**

The board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

**The risk and control framework**

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Streets Audit LLP, the external auditors, to perform additional checks.

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
- data security
- income
- VAT
- purchasing
- cash control
- insurance
- risk management.

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

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.

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**THE WILLIAM ALVEY SCHOOL TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**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:

- 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 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 on

and signed on their behalf by:

.....  
**Mrs L Kirkman**  
Chair of Trustees

.....  
**Mr S Tapley**  
Accounting Officer

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

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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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 2018.

I confirm that I and the Academy board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2018.

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

.....  
**Mr S Tapley**  
Accounting Officer  
Date:

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

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

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

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

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

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

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

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

Approved by order of the members of the board of Trustees on

and signed on its behalf by:

.....  
**Mrs L Kirkman**  
(Chair of Trustees)

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

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

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## **Opinion**

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

In our opinion the financial statements:

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

## **Basis for opinion**

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

## **Conclusions relating to going concern**

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

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

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

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

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**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.



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

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

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**Responsibilities of trustees**

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

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

**Auditors' responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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

**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:

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

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

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In accordance with the terms of our engagement letter dated 26 March 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The William Alvey School Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The William Alvey School Trust and the 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 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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.

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

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

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**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Mark Bradshaw (Senior statutory auditor)**

**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)

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants	3	-	-	59,568	59,568	57,228
Charitable activities		71,195	2,520,450	-	2,591,645	2,486,889
Other trading activities		3,901	-	-	3,901	3,680
Investments	6	329	-	-	329	341
<b>Total income</b>		<b>75,425</b>	<b>2,520,450</b>	<b>59,568</b>	<b>2,655,443</b>	<b>2,548,138</b>
<b>Expenditure on:</b>						
Raising funds		886	-	-	886	747
Charitable activities		63,804	2,548,632	115,252	2,727,688	2,559,180
<b>Total expenditure</b>		<b>64,690</b>	<b>2,548,632</b>	<b>115,252</b>	<b>2,728,574</b>	<b>2,559,927</b>
<b>Net income/(expenditure )</b>		<b>10,735</b>	<b>(28,182)</b>	<b>(55,684)</b>	<b>(73,131)</b>	<b>(11,789)</b>
Transfers between funds	16	-	(98,287)	98,287	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>10,735</b>	<b>(126,469)</b>	<b>42,603</b>	<b>(73,131)</b>	<b>(11,789)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	21	-	(302,000)	-	(302,000)	204,000
<b>Net movement in funds</b>		<b>10,735</b>	<b>(428,469)</b>	<b>42,603</b>	<b>(375,131)</b>	<b>192,211</b>

**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 2019**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Note					
<b>Reconciliation of funds:</b>					
Total funds brought forward	24,551	113,922	3,430,924	3,569,397	3,377,186
Net movement in funds	10,735	(428,469)	42,603	(375,131)	192,211
<b>Total funds carried forward</b>	<b>35,286</b>	<b>(314,547)</b>	<b>3,473,527</b>	<b>3,194,266</b>	<b>3,569,397</b>

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

The notes on pages 31 to 54 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 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	13	<b>3,465,679</b>	3,430,924
		<u>3,465,679</u>	<u>3,430,924</u>
<b>Current assets</b>			
Debtors	14	<b>93,470</b>	129,049
Cash at bank and in hand		<b>590,714</b>	742,562
		<u>684,184</u>	<u>871,611</u>
Creditors: amounts falling due within one year	15	<b>(166,597)</b>	(339,138)
<b>Net current assets</b>		<b>517,587</b>	532,473
<b>Total assets less current liabilities</b>		<u><b>3,983,266</b></u>	<u>3,963,397</u>
<b>Net assets excluding pension liability</b>		<u><b>3,983,266</b></u>	<u>3,963,397</u>
Defined benefit pension scheme liability	21	<b>(789,000)</b>	(394,000)
<b>Total net assets</b>		<u><u><b>3,194,266</b></u></u>	<u><u>3,569,397</u></u>

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

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

	Note	2019 £	2018 £
<b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	16	3,473,527	3,430,924
Restricted income funds	16	474,453	507,922
		<hr/>	<hr/>
Restricted funds excluding pension asset	16	3,947,980	3,938,846
Pension reserve	16	(789,000)	(394,000)
		<hr/>	<hr/>
<b>Total restricted funds</b>	16	3,158,980	3,544,846
<b>Unrestricted income funds</b>	16	35,286	24,551
		<hr/>	<hr/>
<b>Total funds</b>		<b>3,194,266</b>	<b>3,569,397</b>
		<hr/> <hr/>	<hr/> <hr/>

The financial statements on pages 26 to 54 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:

**Mrs L Kirkman**  
(Chair of Trustees)

The notes on pages 31 to 54 form part of these financial statements.

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

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

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	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	18	<b>(61,738)</b>	239,893
<b>Cash flows from investing activities</b>	19	<b>(90,110)</b>	(130,103)
<b>Change in cash and cash equivalents in the year</b>		<b>(151,848)</b>	109,790
Cash and cash equivalents at the beginning of the year		<b>742,562</b>	632,772
<b>Cash and cash equivalents at the end of the year</b>	20	<u><b>590,714</b></u>	<u><b>742,562</b></u>

The notes on pages 31 to 54 form part of these financial statements



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

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

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

The William Alvey School Trust meets the definition of a public benefit entity under FRS 102.

**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.

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

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

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**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.

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

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

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**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.

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

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

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**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.

*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.

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

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

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**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.

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

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

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**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 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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.

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

	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Capital grants	59,568	<b>59,568</b>	57,228

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

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

**4. Funding for the Academy's educational operations**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>
General Annual Grant (GAG)	-	2,103,203	<b>2,103,203</b>
Other DfE/ESFA grants	-	327,191	<b>327,191</b>
Local Authority grants	-	90,056	<b>90,056</b>
Other income	71,195	-	<b>71,195</b>
	<u>71,195</u>	<u>2,520,450</u>	<u><b>2,591,645</b></u>
	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
General Annual Grant (GAG)	-	2,037,795	2,037,795
Other DfE/ESFA grants	-	322,029	322,029
Local Authority grants	-	58,904	58,904
Other income	68,161	-	68,161
	<u>68,161</u>	<u>2,418,728</u>	<u>2,486,889</u>

**5. Income from other trading activities**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Sale of goods	481	<b>481</b>	715
Hire of facilities	3,420	<b>3,420</b>	2,965
	<u>3,901</u>	<u><b>3,901</b></u>	<u>3,680</u>

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

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

**6. Investment income**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Bank interest	329	<b>329</b>	341

**7. Expenditure**

	<b>Staff Costs 2019 £</b>	<b>Premises 2019 £</b>	<b>Other 2019 £</b>	<b>Total 2019 £</b>
Expenditure on fundraising trading activities:				
Direct costs	-	-	886	<b>886</b>
Academy's Educational Operations:				
Direct costs	1,918,992	-	275,763	<b>2,194,755</b>
Allocated support costs	225,524	94,705	212,704	<b>532,933</b>
	<u>2,144,516</u>	<u>94,705</u>	<u>489,353</u>	<u><b>2,728,574</b></u>

	<i>Staff Costs 2018 £</i>	<i>Premises 2018 £</i>	<i>Other 2018 £</i>	<i>Total 2018 £</i>
Expenditure on fundraising trading activities:				
Direct costs	-	-	747	<b>747</b>
Academy's Educational Operations:				
Direct costs	1,784,994	-	248,690	<b>2,033,684</b>
Allocated support costs	204,790	109,532	211,174	<b>525,496</b>



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

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

**8. Analysis of expenditure by activities**

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

	<i>Activities undertaken directly 2018 £</i>	<i>Support costs 2018 £</i>	<i>Total funds 2018 £</i>
Academy's Educational Operations	2,033,684	525,496	2,559,180

**Analysis of support costs**

	<b>Academy's Educational Operations 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Staff costs	225,524	<b>225,524</b>	204,790
Premises costs	94,705	<b>94,705</b>	109,532
Technology costs	11,788	<b>11,788</b>	20,477
Other support costs	194,292	<b>194,292</b>	183,417
Governance costs	6,624	<b>6,624</b>	7,280
	532,933	<b>532,933</b>	525,496

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

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

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

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	8,605	5,928
Depreciation of tangible fixed assets	115,252	94,319
Fees paid to auditors for:		
- audit	3,250	3,250
- other services	2,525	2,525
	<u>          </u>	<u>          </u>

**10. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	1,633,954	1,509,587
Social security costs	137,282	127,418
Pension costs	350,757	323,250
	<u>          </u>	<u>          </u>
	2,121,993	1,960,255
Agency staff costs	22,523	29,529
	<u>          </u>	<u>          </u>
	2,144,516	1,989,784
	<u>          </u>	<u>          </u>

**b. Staff numbers**

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

	2019 No.	2018 No.
Teachers	32	37
Administration & Support	54	47
Management	1	1
	<u>          </u>	<u>          </u>
	87	85
	<u>          </u>	<u>          </u>

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

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

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**10. Staff costs (continued)**

**b. Staff numbers (continued)**

The average headcount expressed as full-time equivalents was:

	<b>2019</b>	<i>2018</i>
	<b>No.</b>	<i>No.</i>
Teachers	<b>27</b>	<i>29</i>
Administration & Support	<b>36</b>	<i>31</i>
Management	<b>1</b>	<i>1</i>
	<hr/> <b>64</b> <hr/>	<hr/> <i>61</i> <hr/>

**c. Higher paid staff**

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

	<b>2019</b>	<i>2018</i>
	<b>No.</b>	<i>No.</i>
In the band £60,001 - £70,000	<b>1</b>	<i>1</i>
In the band £70,001 - £80,000	<b>1</b>	<i>1</i>
	<hr/> <b>1</b> <hr/>	<hr/> <i>1</i> <hr/>

**d. Key management personnel**

The key management personnel of the academy trust comprise the staff trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £319,603 (2018 - £309,709).

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

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

**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:

		<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
Mr S Tapley, Head Teacher and Accounting Officer	Remuneration	<b>75,000 -</b>	<i>70,000 -</i>
		<b>80,000</b>	<i>75,000</i>
	Pension contributions paid	<b>10,000 -</b>	<i>10,000 -</i>
		<b>15,000</b>	<i>15,000</i>
Mrs K Camm, Staff Trustee	Remuneration	<b>45,000 -</b>	<i>45,000 -</i>
		<b>50,000</b>	<i>50,000</i>
	Pension contributions paid	<b>5,000 -</b>	<i>5,000 -</i>
		<b>10,000</b>	<i>10,000</i>
Mrs E Weston, Staff Trustee	Remuneration	<b>40,000 -</b>	<i>40,000 -</i>
		<b>45,000</b>	<i>45,000</i>
	Pension contributions paid	<b>5,000 -</b>	<i>5,000 -</i>
		<b>10,000</b>	<i>10,000</i>

During the year ended 31 August 2019, travel expenses totalling £67 were reimbursed or paid directly to 1 Trustee (2018 - £nil).

**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.

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

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

**13. Tangible fixed assets**

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2018	3,623,460	43,126	97,566	3,764,152
Additions	132,287	16,548	1,172	150,007
At 31 August 2019	<u>3,755,747</u>	<u>59,674</u>	<u>98,738</u>	<u>3,914,159</u>
<b>Depreciation</b>				
At 1 September 2018	225,783	41,292	66,153	333,228
Charge for the year	87,589	5,316	22,347	115,252
At 31 August 2019	<u>313,372</u>	<u>46,608</u>	<u>88,500</u>	<u>448,480</u>
<b>Net book value</b>				
At 31 August 2019	<u>3,442,375</u>	<u>13,066</u>	<u>10,238</u>	<u>3,465,679</u>
At 31 August 2018	<u>3,397,677</u>	<u>1,834</u>	<u>31,413</u>	<u>3,430,924</u>

The Academy's land and buildings additions were reception and office re-modelling, and new fencing and access barrier to the site.

**14. Debtors**

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	630	960
Other debtors	33,621	74,999
Prepayments and accrued income	59,219	53,090
	<u>93,470</u>	<u>129,049</u>

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

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

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

	2019 £	2018 £
Trade creditors	25,586	183,263
Other taxation and social security	33,329	32,808
Other creditors	33,892	31,111
Accruals and deferred income	73,790	91,956
	<u>166,597</u>	<u>339,138</u>
	2019 £	2018 £
Deferred income at 1 September 2018	56,974	64,445
Resources deferred during the year	63,533	56,974
Amounts released from previous periods	(56,974)	(64,445)
	<u>63,533</u>	<u>56,974</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 2019/20 academic year.

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

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

**16. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General funds	24,551	75,425	(64,690)	-	-	35,286
<b>Restricted general funds</b>						
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)
	113,922	2,520,450	(2,548,632)	(98,287)	(302,000)	(314,547)
<b>Restricted fixed asset funds</b>						
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)	-	-	-
	3,430,924	59,568	(115,252)	98,287	-	3,473,527
<b>Total Restricted funds</b>	3,544,846	2,580,018	(2,663,884)	-	(302,000)	3,158,980
<b>Total funds</b>	3,569,397	2,655,443	(2,728,574)	-	(302,000)	3,194,266

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

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

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

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

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 2019 results in a net surplus of £509,739.

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



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

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

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

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
<b>Unrestricted funds</b>						
General funds	20,190	72,182	(67,821)	-	-	24,551
<b>Restricted general funds</b>						
General Annual Grant (GAG)	486,624	2,037,795	(1,936,406)	(113,833)	-	474,180
Other DfE/ESFA grants	40,801	322,029	(312,477)	(16,611)	-	33,742
LA grants	-	58,904	(58,904)	-	-	-
Pension reserve	(508,000)	-	(90,000)	-	204,000	(394,000)
	19,425	2,418,728	(2,397,787)	(130,444)	204,000	113,922
<b>Restricted fixed asset funds</b>						
Transfer to former school	2,774,000	-	-	-	-	2,774,000
ESFA capital grants	(47,407)	47,228	-	179	-	-
Capital expenditure from GAG	435,793	-	(74,854)	130,265	-	491,204
Donation from Local Authority	175,185	-	(16,736)	-	-	158,449
Other activities	-	10,000	(2,729)	-	-	7,271
	3,337,571	57,228	(94,319)	130,444	-	3,430,924
<b>Total Restricted funds</b>	3,356,996	2,475,956	(2,492,106)	-	204,000	3,544,846

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

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

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
<b>Total funds</b>	<u>3,377,186</u>	<u>2,548,138</u>	<u>(2,559,927)</u>	<u>-</u>	<u>204,000</u>	<u>3,569,397</u>

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

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

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

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

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	-	3,430,924	<b>3,430,924</b>
Current assets	24,551	818,833	28,227	<b>871,611</b>
Creditors due within one year	-	(310,911)	(28,227)	<b>(339,138)</b>
Provisions for liabilities and charges	-	(394,000)	-	<b>(394,000)</b>
<b>Total</b>	<u>24,551</u>	<u>113,922</u>	<u>3,430,924</u>	<u><b>3,569,397</b></u>

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

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

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

	2019 £	2018 £
Net expenditure for the year (as per Statement of financial activities)	<b>(73,131)</b>	<b>(11,789)</b>
<b>Adjustments for:</b>		
Depreciation	<b>115,252</b>	94,319
Capital grants from DfE and other capital income	<b>(59,568)</b>	(57,228)
Interest receivable	<b>(329)</b>	(341)
Defined benefit pension scheme cost less contributions payable	<b>81,000</b>	77,000
Defined benefit pension scheme finance cost	<b>12,000</b>	13,000
Decrease/(increase) in debtors	<b>35,579</b>	(51,913)
(Decrease)/increase in creditors	<b>(172,541)</b>	176,845
<b>Net cash (used in)/provided by operating activities</b>	<b>(61,738)</b>	239,893

**19. Cash flows from investing activities**

	2019 £	2018 £
Dividends, interest and rents from investments	<b>329</b>	341
Purchase of tangible fixed assets	<b>(150,007)</b>	(187,672)
Capital grants from DfE Group	<b>59,568</b>	47,228
Capital funding received from sponsors and others	-	10,000
<b>Net cash used in investing activities</b>	<b>(90,110)</b>	(130,103)

**20. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	<b>590,714</b>	742,562
<b>Total cash and cash equivalents</b>	<b>590,714</b>	742,562

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

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

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**21. Pension commitments**

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

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

Contributions amounting to £33,805 were payable to the schemes at 31 August 2019 (2018 - £30,401) and are included within creditors.

**Teachers' Pension Scheme**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

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

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**21. Pension commitments (continued)**

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

The employer's pension costs paid to TPS in the year amounted to £188,085 (2018 - £180,620).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £108,000 (2018 - £90,000), of which employer's contributions totalled £84,000 (2018 - £70,000) and employees' contributions totalled £ 24,000 (2018 - £20,000). The agreed contribution rates for future years are 18.9 per cent for employers and various per cent for employees.

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

**Principal actuarial assumptions**

	<b>2019</b>	<i>2018</i>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	<b>2.7</b>	2.7
Rate of increase for pensions in payment/inflation	<b>2.3</b>	2.3
Discount rate for scheme liabilities	<b>1.9</b>	2.8
Commutation of pensions to lump sums	<b>50</b>	50

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

	<b>2019</b>	<i>2018</i>
	<b>Years</b>	<b>Years</b>
<i>Retiring today</i>		
Males	<b>21.2</b>	22.1
Females	<b>23.5</b>	24.4
<i>Retiring in 20 years</i>		
Males	<b>22.5</b>	24.1
Females	<b>25.2</b>	26.6

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

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

**21. Pension commitments (continued)**

**Sensitivity analysis**

	<b>2019</b> <b>£000</b>	<b>2018</b> <b>£000</b>
Discount rate +0.1%	<b>57</b>	<b>40</b>
Mortality assumption - 1 year increase	<b>77</b>	<b>55</b>

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

	<b>At 31 August 2019</b> <b>£</b>	<i>At 31 August 2018</i> <i>£</i>
Equities	<b>837,000</b>	<i>714,000</i>
Corporate bonds	<b>183,000</b>	<i>147,000</i>
Property	<b>115,000</b>	<i>107,000</i>
Cash and other liquid assets	<b>11,000</b>	<i>10,000</i>
<b>Total market value of assets</b>	<b>1,146,000</b>	<i>978,000</i>

The actual return on scheme assets was £34,000 (2018 - £46,000).

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

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Current service cost	<b>(156,000)</b>	<i>(147,000)</i>
Past service cost	<b>(9,000)</b>	<i>-</i>
Interest income	<b>29,000</b>	<i>22,000</i>
Interest cost	<b>(41,000)</b>	<i>(35,000)</i>
<b>Total amount recognised in the Statement of financial activities</b>	<b>(177,000)</b>	<i>(160,000)</i>

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

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

**21. Pension commitments (continued)**

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

	2019 £	2018 £
<b>At 1 September</b>	<b>1,372,000</b>	<b>1,331,000</b>
Current service cost	156,000	147,000
Interest cost	41,000	35,000
Employee contributions	24,000	20,000
Actuarial losses/(gains)	336,000	(158,000)
Benefits paid	(3,000)	(3,000)
Past service costs	9,000	-
<b>At 31 August</b>	<b>1,935,000</b>	<b>1,372,000</b>

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

	2019 £	2018 £
<b>At 1 September</b>	<b>978,000</b>	<b>823,000</b>
Interest income	29,000	22,000
Actuarial gains	34,000	46,000
Employer contributions	84,000	70,000
Employee contributions	24,000	20,000
Benefits paid	(3,000)	(3,000)
<b>At 31 August</b>	<b>1,146,000</b>	<b>978,000</b>

**22. Operating lease commitments**

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

	2019 £	2018 £
Not later than 1 year	4,446	5,928
Later than 1 year and not later than 5 years	-	4,446
	<b>4,446</b>	<b>10,374</b>

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

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

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**23. 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.

**24. Related party transactions**

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

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 £11,560 (2018 - £11,000) 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 12.