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

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	Mr A P Dransfield Ms S McGuire Mr T Naylor Rear Admiral R Lane-Knott (resigned 13 July 2020) Mrs G Ferrari (appointed, 13th July 2020) Mr D Lock (appointed, 13th July 2020)
<b>Trustees</b>	Mr J S Howe, (resigned as Chair of Trustees 25 November 2020) <sup>1</sup> Mr A Squires, CEO and Principal Accounting Officer <sup>1</sup> Mr W G Butler Mr A P Dransfield <sup>1</sup> Ms S McGuire, (appointed Chair of Trustees 25 November 2020) <sup>1</sup> Mrs D Plumb (resigned 13 November 2020) Mr B R Hawthorne (resigned 16 November 2020) Mrs D J Sporn (resigned 13 November 2020) <sup>1</sup> Mrs M O'Brien Mr J R Cove

<sup>1</sup> Members of the Resources (Finance, Buildings and HR) Committee

**Company registered number** 07527108

**Company name** The Denbigh Alliance

**Principal and registered office** Denbigh School  
Burchard Crescent  
Shenley Church End  
Milton Keynes  
MK5 6EX

**Senior leadership team** Mr A Squires, CEO/Executive Headteacher  
Mr I Bacon, Senior Deputy Headteacher to Dec '19, Head of School, Watling from Jan '20  
Miss J Barford, Assistant Headteacher to Apr '20, Deputy Head of Watling from May '20  
Miss L Dale, Assistant Headteacher  
Dr A Frame, Head of School/Head of School, Denbigh (Appointed April 2020)  
Miss J Morton, Assistant Headteacher  
Mr P Myers, Deputy Headteacher  
Mr H Brown, Assistant Headteacher  
Mr J Waters, Assistant Headteacher  
Mr A Steed, Assistant Headteacher  
Mrs H Fry, Assistant Headteacher  
Mrs C Flowers, Assistant Headteacher (Appointed April 2020)  
Mr P Gannaway, Assistant Headteacher (Appointed April 2020)

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
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**Independent auditors**      Hillier Hopkins LLP  
Chartered Accountants  
Statutory Auditor  
Radius House  
51 Clarendon Road  
Watford  
Herts  
WD17 1HP

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

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

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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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 ended 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

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

The Trust operates Denbigh School, and the recently opened Watling Academy, for pupils aged 11 to 18 serving a catchment area to the western side of Milton Keynes. Students on roll totalled 1,764 at Denbigh School as at the Spring School Census 2020. 180 students joined Watling Academy in September 2020.

### **Structure, governance and management**

#### **a. Constitution**

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

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

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

The charitable company is known as The Denbigh Alliance currently includes Denbigh School and Watling Academy..

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

#### **b. Members' liability**

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

#### **c. Trustees' indemnities**

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £36,779.

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

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

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

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

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

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

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

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

**f. Organisational structure**

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

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

- Members (for the Multi Academy Trust)
- Trustees (of the Multi Academy Trust)
- Local Governors (for each school within the Trust, currently Denbigh School, with an Interim Governing Body Committee for the Watling Academy which opened on 1st September 2020).

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

- Standards Committee (covering educational matters, results, and curriculum)
- Resources Committee (covering finance, health and safety, buildings, human resources)
- Audit and Risk Committee
- Remuneration and Nominations Committee (Executive Pay & Trustee/Governor recruitment)
- Local Governing Body Committees (includes sub-committees for finance and buildings, HR, Premises, Curriculum, School Trips and Student Affairs).

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

This Trust Terms of Reference determines the overriding structure and governance of the Trust and its schools. It was agreed to maintain the document and its purpose under continuous review, with a formal annual review process in place with objectives and timelines as directed by trustees.

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

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

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

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

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

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

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

**h. Trade union facility time**

**Relevant union officials**

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

**Percentage of time spent on facility time**

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

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

Total cost of facility time	706
Total pay bill	8,730,369
Percentage of total pay bill spent on facility time	- %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	1 %
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**i. Related parties and other connected charities and organisations**

W G Butler, A P Dransfield, and J S Howe, are Trustees of The Denbigh Alliance, are also directors of Shenley Leisure Centre Trust. The Academy Trust leases the leisure centre to the Shenley Leisure Centre Trust for a peppercorn rent. Details of transactions with the trust in the year are disclosed in note 29 to the financial statements.

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

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**Objectives and activities**

**a. Objects and aims**

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

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

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

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

Denbigh School is recognised by Ofsted as a Good School (2019), previously outstanding and as such was one of the first group of schools across the county to be offered the opportunity by the Government to convert to academy status. This opportunity was taken as it offered the School additional freedom and resources to determine the way forward.

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

**b. Objectives, strategies and activities**

The Trust's objective for the year ended 31st August 2020 was to raise the attainment level of all students through care and wellbeing, curriculum structure, teaching and learning, and leadership development.

Student roll the total number on roll for the period 1st September 2019 to 31st August 2020 was 1,764. This includes 469 in the Sixth Form, making it the largest school sixth form in Milton Keynes.

Admissions - the School is currently oversubscribed by a ratio of approximately 3:1 with more than 1,200 applications being received again for the 260 available places for the September 2020 Year 7 intake. In fact, almost one in every three Year 6 pupils applies for Denbigh School. This compares to similar numbers for previous years (Sep 2019 intake 1285, Sep 2018 intake - 1100). Watling Academy also had strong admission numbers, comfortably filling to the agreed PAN of 180 in Year 1.

Attendance - the attendance level achieved for the year ending August 2020 was 95%, previous year 96%.

Permanent exclusions – there were no permanent exclusions for the year ending August 2020.

Staffing - the average number of (full time equivalent) teaching and admin/support staff employed during the year ended 31 August 2020 was 168 (2019: 168).

Staff turnover was 16% for the year.

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

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**Objectives and activities (continued)**

**c. Public benefit**

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

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

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

**d. COVID-19 report**

**Trust Strategic approach**

The Trust took a proactive stance in advising Denbigh School about the closures and preparation before the national lockdown in March. Remote and home learning pack were provided quickly to support students with their studies, to mitigate against any lost learning. Pastoral care was prioritised during this time with phone calls made to vulnerable students at regular intervals to check on their welfare.

The CEO worked with the Head of School to construct a comprehensive Risk Assessment for the partial opening in June and prior to that with Disadvantaged and Vulnerable students. This went before the Board and was considered in detail, with positive comments and useful additions made. These have since been widely shared with all appropriate stakeholders via the website and updated regularly to keep pace with the changing nature of DfE advice. As a result of the partial opening, we were able to welcome back all of Years 10, 12, with a much greater than national attendance.

**Denbigh School Covid report**

By the time lockdown began on Friday the 20th of March, measures to provide work to all year groups were already in place and continued for the duration. Pastoral leaders made safeguarding and welfare calls home, teachers and mentors were consistently contactable by email, and our Counsellor continued to work with students needing his additional support.

Tutors and Teaching Assistants ensured that SEND students had the opportunity to ask questions and engage from home. Our Sixth Form Pastoral team kept Year 12 students motivated, whilst steering Year 13 through the incredibly challenging time of facing a future beyond school.

The House Presidents wrote student newsletters and the Head of School sent Bulletins home every day, which were well received by parents and Governors.

The school initially provided Tesco vouchers for students in receipt of Free School Meals and fully engaged with the National Vouchers scheme, supporting 150 students.

The School offered full days of care and provision for vulnerable students and those whose parents were on the frontline of the COVID response as critical care workers, even throughout the school holiday periods.

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

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**Objectives and activities (continued)**

We supported local community initiatives, making visitors for the NHS, and providing a safe environment in one of our teaching blocks for the MK nursing team to deliver vital vaccines to babies.

The Trust fulfilled their responsibilities by scrutinising the Risk Assessments prepared by the CEO/Executive Headteacher and Head of School to satisfy themselves that all measures and precautions possible had been taken. Indeed, during the partial re-opening after 15/05/2020, Denbigh recorded a very strong set of attendance figures for Year 10 and 12, far in excess of those nationally. We had over 75% of students who could have been in school attend, far beyond the national picture of around 10%.

**Watling Academy Covid report**

Watling Academy opened in September 2020, and implemented the Trust Covid Risk Assessment and procedures in line with DfE and Public Health England guidance.

**Strategic report**

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

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

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

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

Currently, the Denbigh Alliance MAT consists of two schools, Denbigh School and Watling Academy. Denbigh School is a large secondary school on the western flank of Milton Keynes. It has 1297 pupils in the main school and has the largest school Sixth Form in Milton Keynes with 464 students. Denbigh is rated OfSTED Good and is also the top performing school in Milton Keynes at both A Level and GCSE.

Denbigh School continues to thrive as part of the trust, maintaining its popularity within the local and wider community, as the most over-subscribed secondary school in Milton Keynes. Results will continue to top the Milton Keynes performance tables and place consistently in the top 20% of those nationally. Watling Academy as a new Free School, opened in September 2020 on the western flank of Milton Keynes and will be based on the Whitehouse development. A strategic and operational plan was put in place to ensure the successful opening and all major milestones were achieved, welcoming the year 7 cohort of 180 students on 4<sup>th</sup> September. The Head of Watling Academy is Mr Ian Bacon, previously Senior Deputy Headteacher at Denbigh School. The curriculum offered at Watling will be rich and deep, and have a strong STEM flavour, responding to local and national needs. Once full it will accommodate 1800 pupils aged 11-16.

Watling Academy will quickly establish itself as the school of choice in Milton Keynes, rivalling Denbigh. It will, through its clear STEM focus, lead the way in innovative curriculum experiences supporting the highest achievements of pupils. In support of the school, the Trust will work with Milton Keynes Council to ensure that

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

**Strategic report (continued)**

(continued)

proper progression is available for its students through to a sixth form provision.

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

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

Denbigh School was asked to provide to the Examination Boards the Centre Assessment Grade (CAG) for each student, in each subject. A huge amount of work went into this process to provide the most accurate return. Students received their grades on the scheduled dates in August of 13th for GCSE and 14th for AS and A-Level.

Denbigh school has maintained performance overall and in Maths and the EBacc element. The Open element has seen a risk of 0.3 of a grade, whereas English has seen a fall of 0.27 of a grade. No performance figures will be published therefore the Trust retains its top position in Milton Keynes. There are no P8 figures this year and there has been no decision yet as to whether there will be a P8 figure in 2021.

**REVIEW OF RESULTS**

Note that 2020 data is determined from internal marking and assessments. There is no official 2020 examinations performance data due to the Government's decision to cancel both GCSE and A level examinations. This data is not available to OFSTED.

<b>KS4 GCSE</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
A8 score/A*APS	5.33	5.28	4.96
Basics: % 4+	80.8%	78%	75.8%
% 5+	56.5%	60.5%	59.8%
EBacc: APS	4.90	4.99	4.85
% 4+	38.8%	42.1%	35.6%
% 5+	26.9%	26.3%	23.7%

<b>KS5 – A Level</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
APS per entry score/grade	34.16 (C)	30.13(C)	30.5 (C)
APS best 3 entries score/grade	36.14 (C+)	32.93(C)	31.2 (C+)
% AAB+ in at least 2 facilitating subjects	16.5%	14.5%	9.6%
<b>KS5 Applied General</b>			
APS per entry score/grade	32.16 (me+)	29 (Me+)	28.6 (Dis-)
<b>KPIs (DATA)</b>			
FFT5 is used for target setting			

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

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**Strategic report (continued)**

**(continued)**

**a. Key performance indicators**

The Trust monitors Key Performance Indicators from Denbigh (and Watling moving forward), to help inform performance of the school(s). these are monitored by the CEO and also through the Resources and Standards Committees.

The following are areas which are considered,

Standards Committee

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

Resources Committee

- Spend on teaching staff as a % of total expenditure
- Spend on supply staff as a % of total expenditure
- Spend on education support staff as a % of total expenditure
- Spend on administrative and clerical staff as a % of total expenditure
- Spend on other staff costs as a % of total expenditure
- Spend on premises (including staff costs) as a % of total expenditure
- Spend on teaching resources as a % of total expenditure
- Spend on energy as a % of total expenditure
- Other spending as a % of total expenditure (balancing line)
- Average teacher cost (£)
- Senior leaders as a % of workforce
- Pupil to teacher ratio
- Pupil to adult ratio
- Teacher contact ratio (less than 1.0)
- In-year balance as a percentage of total income
- Revenue reserve as a percentage of total income
- Average class size (Main school)
- Average class size (Sixth Form)
- Budgeted in year surplus/deficit
- Posts advertised twice

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

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**Strategic report (continued)**

**(continued)**

- Retention of RQTs
- Safeguarding incidents (These are referrals made to MASH)
- RIDDOR referrals
- Absence Teachers (days & %s)
- Absence Support (days & %s)
- Financial probity: red flags
- How much do we spend on staff development and courses?
- Staff male and female ratio (gender pay gap).
- Pupil income per student over time
- Number of Teachers on M6 and above
- Grant funding awarded
- Free cash reserves year on year.
- Lettings income

Remunerstions & Nominations Committee

- Governance – 100% skills coverage

Full Board

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

The School was graded “Good” by Ofsted in 2019.

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

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

The average point scores per entry at Year 13 for vocational qualifications for 2020 was 31.2 (2019 31.2, 2018 30.5) with 100% of the cohort achieving one or more passes.

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

77% of Year 11 students choose to study at Denbigh’s Sixth Form, and 75% of sixth formers go on to university degree courses.

Attendance levels were recorded at 95% for 2020 and 96% in 2019.

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

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**Strategic report (continued)**

**(continued)**

**b. Teaching School**

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

- In July 2020 the Teaching School was Peer Reviewed by NSB TSA and Redbone TSA. They supported the judgement that the DTSA is 'sustainable' (the highest category) for every area including Leadership, Infrastructure, ITT, CPD and S2S.
- SLP has supported 7 secondaries to enable them to develop triple science programmes. These are in Central Beds, Beds and MK. Impacts include: Supporting secondary converter schools so they can understand GCSE requirements. Giving schools a better understanding of requirements of new courses; development of classroom pedagogy to meet the requirements of the new exams; increased staff confidence; improved student confidence and progress reported in several of the schools.
- The SLP has provided training for 355 teachers from 42 secondary schools, 5 post-16 institutions and 85 primary schools, including running a primary conference on 'Girls in STEM'. Impacts include: increased staff confidence especially with practical activities in primary schools, more practical activities used in lessons as a result of increased confidence; greater range of ideas for working scientifically
- The Teaching School coordinates the MK subject network meetings in 9 subjects. Social Science was a new addition to the list this year. Due to local demand we expanded the number of Science CPD sessions so staff could choose whether they attended a Physics, Chemistry, Biology or science pedagogy focused training. Impacts included: sharing of good practice, standardisation around the new GCSEs and A Levels leading to an increased confidence in grading; sharing ideas about curriculum planning and development; support for colleagues during lockdown as the later sessions were held virtually via Microsoft Teams.
- The Teaching School has continued to maintain its partnership with the OU, supporting research bids that link to teaching and learning e.g. the Astrobiology programme. The OU has continued to work with Denbigh to provide the STEM lectures

In addition, the Teaching School will continue to:

- Develop high quality leadership pathways for aspirant leaders
  - Further develop its research and development portfolio to inform developments in teaching and learning.
- The Teaching School is leading 11 MK secondary schools in the Sports England Teacher Training initiative.

**SCITT**

Graded Outstanding in 2017, the SCITT has completed its fifth year of operation in September 2020 having had another excellent, if challenging, year.

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

Trainee numbers remain strong with 46 planned to begin the programme from September 2020 (see below)

The TFSCITT was visited by an external moderator, who gave the TFSCITT a glowing report and was very impressed with the quality of the training and mentoring provided by the TFSCITT and by the partnership

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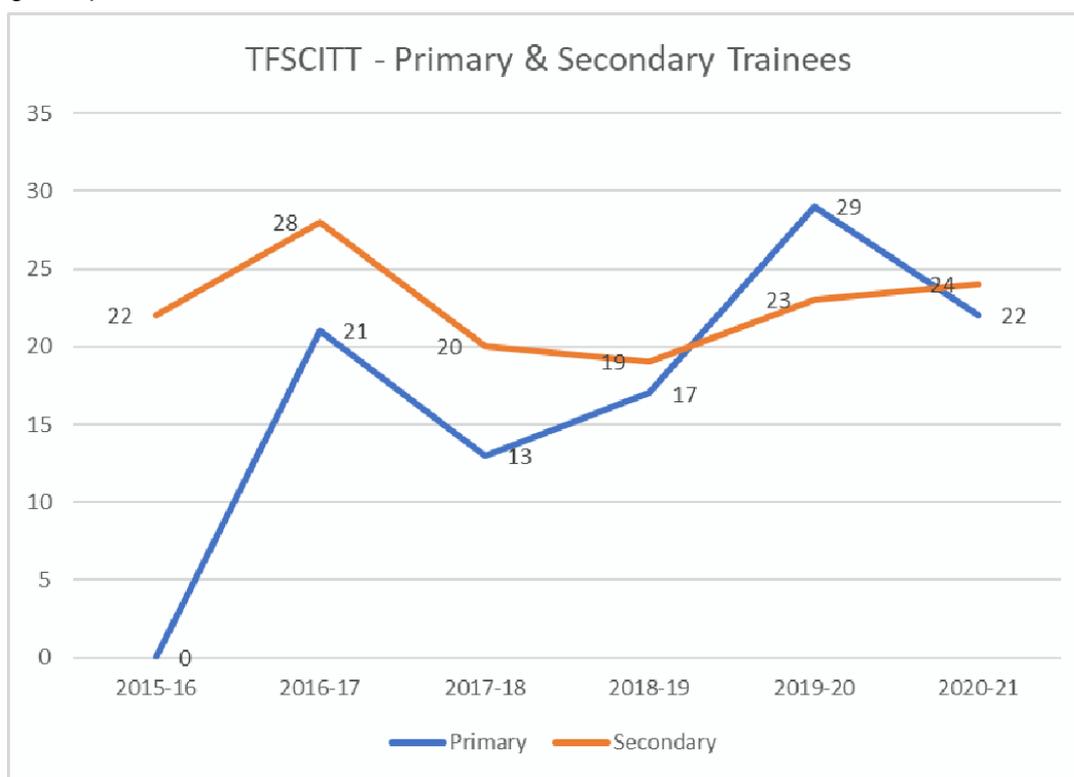
**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Strategic report (continued)**

**(continued)**

schools. He remarked on the excellent work done in keeping the trainee's experience going in the context of a global pandemic.



From the 23 secondary trainees (who started courses in 2019), 22 took up employment in Milton Keynes.

From 29 primary trainees, 28 completed took up employment in Milton Keynes.

**Maths Hub**

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

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

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

- Embedding a teaching for mastery approach to mathematics teaching in primary schools across the region

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**TRUSTEES' REPORT (CONTINUED)**  
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**Strategic report (continued)**

**(continued)**

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

**Computing Hub**

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

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

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

**GOING CONCERN**

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

**Financial review**

**a. Financial review**

The Trust's financial position demonstrates total income of £10,508,880 (excluding restricted fixed asset funds) with a deficit on 31 August of £365,121 (excluding restricted fixed asset funds and actuarial gains and losses in the year). The deficit has been allocated to reserves.

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

The principal financial management policies adopted in the year are:

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

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

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

**b. Reserves policy**

The level of reserves held at 31 August total £23,286,447 of which £173,858 are deemed to be free reserves. The reserves will be allocated and spent as part of a continuous improvement programme to improve, and maintain its facilities and resources. Reserves are utilised for capital expenditure projects to ensure the facilities are maintained and updated to the highest standards, and for IT replacement projects.

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

At 31 August 2020 the total funds comprised:

	£
Unrestricted	173,858.00
Restricted	
Fixed asset funds	27,367,252.00
Pension Reserve	- 4,759,000.00
Other	504,337.00

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

**c. Investment policy**

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

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

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

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

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**d. Principal risks and uncertainties**

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

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

Key controls to mitigate risks are in place as follows:

1. An organisational structure with defined roles, and responsibilities as contained in the Trust's Terms of Reference document.
2. Terms of reference for the committees of the Trust and governing bodies of each school within it.
3. Annual Strategic planning events, together with setting annual objectives for the Trust, its senior leadership, and its schools, ensuring these are implemented and reviewed annually.
4. An Audit and Risk Committee of Trustees is implemented to provide strategic management, addressing principal risks, demanding reviews in particular areas, with where necessary, improved outcomes, and ensuring risk is considered prior to every decision made within the Trust.
5. Financial planning, budgeting, and regular management reporting highlighting areas of financial risk.
6. Formal written and published policies are in place for employees, that are regularly reviewed and updated.
7. Major infrastructure or ICT failures mitigated by preventative maintenance, strategic planning and disaster recovery procedures.
8. Vetting procedures as required by law for the protection of the vulnerable. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The Trust has in place risk-management procedures as outlined above, led by the Audit and Risk Committee of the Board. The Trustees have assessed the major risks to which the academy trust is exposed and conducted a formal review of the trust's risk management process using the adopted Risk Register. The assessment of risks to the Trust, is formally reviewed in every Trust committee meeting and fed in centrally to the Trust Risk Register.

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

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**e. Risk Management**

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

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

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

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

**Fundraising**

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

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

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

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### **Plans for future periods**

#### Trust objectives

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

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

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

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

#### Teaching and Learning

- To continue to develop and improve the quality and consistency of teaching and learning, to improve progress for all groups of students.
- To continue to implement and monitor new systems for monitoring teaching and learning and to provide enhanced support and development to optimise student outcomes.
- To continue with the robust assessment and reporting systems based on 9-1 grading, providing continuity from years 7-11, enabling both teachers, students, and parents to track progress.
- To collaborate between schools to achieve the points above.

#### Personal development, behaviour, and welfare

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

To continue with the training and development of anti-bullying ambassadors through the Diana Award training scheme, across the Trust.

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

#### Teaching School objectives

2019-20 saw the last year of Teaching Schools in its current format.

The DTSA is putting in a bid to be the Lead School of the new Teaching School Hub for Milton Keynes, Bedford, and Central Bedfordshire, pulling together the pillars of Early Career Framework, National Professional

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

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**Plans for future periods (continued)**

Qualifications, Initial Teacher training, Continuing Professional Development and Appropriate body work for NQT's. This is an exciting stage of our development which if successful will secure funding for the next three years 2021-2024.

**Maths Hub objectives**

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

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

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

1. To provide support for participating schools to introduce, embed and sustain teaching for mastery with fidelity and consistency, encouraging the effective use of high-quality resources.
2. To work with schools to address specific challenges as they seek to embed and sustain teaching for mastery (for example mixed-age classes or same-day intervention for supporting pupils with SEND).
3. To support teachers and leaders in post-16 schools and colleges to increase participation in Level 3 mathematics education and enhance the quality of teaching at all levels so that students studying mathematics at post-16 make good progress and are well prepared for their future education and career pathways.
4. To develop and support local leaders of maths education (LLME)
5. To run Maths Hub Work Groups to enable schools to work together over a sustained period led by a teacher expert, whose expertise is in both mathematics education and in leading teacher professional development.

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

**SCITT Objectives**

The SCITT begins its sixth year in September 2020 after securing significant successes since its inception in September 2015.

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

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

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

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

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

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**Plans for future periods (continued)**

significant challenge for recruitment this year

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

Denbigh School

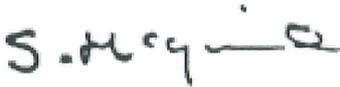
Denbigh School operates a School Fund account within the Trust but with a separate accounting system and bank account, for the purpose of managing income and expenditure for trips, activities and other events undertaken for students. The income and expense and fund balances are included in the year end accounts of the academy trust for the year ended 31st August 2020.

**Auditor**

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the trustees have taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 2 December 2020 and signed on its behalf by:



.....  
**Ms S McGuire**  
Chair of Trustees

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**THE DENBIGH ALLIANCE**  
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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO/Executive Headteacher, 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 Denbigh School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year.

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

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

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

The Board has commissioned a external review of governance by the NGA. It is anticipated this this will be repeated on 3-5 year cycle.

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**THE DENBIGH ALLIANCE**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

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

Trustee	Meetings attended	Out of a possible
Mr A Squires	6	6
Mr J Howe	5	6
Mr A P Dransfield	6	6
Mr W Butler	4	6
Mrs M O'Brien	6	6
Mrs D J Sporn	5	6
Mrs D Plumb	4	6

The Audit Committee is also a sub-committee of the main Board of Trustees. The Audit and Risk Committee oversees the effectiveness of the Trust's strategic educational and financial management, policies and the quality of identified operations. The Committee ensures that:

- Effective audit functions are in place (both external and internal)
- Adequate risk management processes are in place
- An adequate internal control environment is established
- Arrangements are in place to ensure compliance with DfE, Companies and Charity Commission requirements
- Financial management processes are operating effectively

During 2019-20 the Audit and Risk Committee considered and directed actions and/improvements as follows:

1. Conducted a Review of the Risk Register, recategorizing and introducing a scoring methodology to assess likelihood, impact and possible mitigation. Completed.
2. Managed an investigation process through external deployment to consider the procurement process for Watling Academy. Completed
3. Established a Governance Review of the Trust – this is ongoing and will be completed during the Autumn Term of 2020.
4. Directed a review of the financial procedures (Finance Manual) to consider whether it is fit for purpose and aligns to the Academies Financial Handbook. Draft completed during 19-20 for review by Trustees in the Autumn term 2020.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Cove	4	4
Mr J Howe	4	4
Mr A Squires	4	4
Mrs M O'Brien	3	4
Mrs S Mcquire	2	4
Mr W Butler	3	4

**Review of value for money**

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate.

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**THE DENBIGH ALLIANCE**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of value for money (continued)**

The Accounting Officer for the academy trust has delivered improved value for money during the year by:

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

**The 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 ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Denbigh School for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

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

**The risk and control framework**

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

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

The Board of Trustees has decided to buy-in an internal audit service from Thompsons MK Limited

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**THE DENBIGH ALLIANCE**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**The risk and control framework (continued)**

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

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

One audit was carried out during the year 1 September 2019 to 31 August 2020 and findings were reported to the Resources Committee. There were no material control issues arising as a result of the RO's work. Tests carried out included:

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

**Review of effectiveness**

The Accounting Officer 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 financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications or risks from the above reviews and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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



**Ms S McGuire**  
Chair of Trustees  
Date: 2 December 2020



.....  
**Mr A Squires**  
Accounting Officer

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

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of The Denbigh Alliance Multi Academy Trust I have considered my responsibility to notify the academy trust board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of all funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook ((2019)).

I confirm that I and the academy trust are able to identify any material, irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook (2019).

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA:

During 2019-20, and in the process of procurement and tendering for fixed assets, the Trust did not comply with the Official Journal of the European Union (OJEU) regulations. This resulted in the Trust not advertising through OJEU its tender offer for the new Watling Academy IT infrastructure provision. This matter has been reported to Trustees and to Hillier Hopkins, the Trust's external auditors. The Trustees have directed a review of the Trust's financial procedures and processes to ensure that future procedures are rigorous and robust, and do, where appropriate, adhere to OJEU. Additionally, an external review of governance is being undertaken by an external consultant, that will encompass considering and reviewing the Trust's financial policies and procedures.



.....  
**Mr A Squires**  
Accounting Officer  
Date: 2 December 2020

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

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

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The Trustees (some of whom act as governors of Denbigh School and are also the directors of the charitable company for the purposes of company law). are responsible for preparing the Trustees' Report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

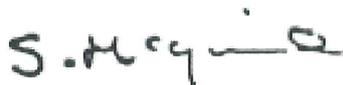
- select suitable accounting policies and then apply them consistently.
- observe the methods and principles of the Charities SORP.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 EFA/DfE have been applied for the purposes intended.

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

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



**Ms S McGuire**  
Chair of Trustees  
Date: 2 December 2020

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

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**Opinion**

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

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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**THE DENBIGH ALLIANCE**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
DENBIGH ALLIANCE (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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

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

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

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

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

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

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



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

for and on behalf of  
**Hillier Hopkins LLP**  
Chartered Accountants  
Statutory Auditor  
Radius House

51 Clarendon Road  
Watford  
Herts  
WD17 1HP

Date:

*12<sup>th</sup> December 2020*

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

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

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

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

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

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

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

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

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

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

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

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**Conclusion**

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

The Trust awarded the IT infrastructure contract through a tender process. However, as the values of the contract across the Trust were in excess of the OJEU thresholds, the additional requirements to advertise the contract have not been complied with.



**Hillier Hopkins LLP**  
Chartered Accountants  
Statutory Auditor

Radius House  
51 Clarendon Road  
Watford  
Herts  
WD17 1HP

Date: 14<sup>th</sup> December 2020

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

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>						
Donations and capital grants	4	-	-	1,383,859	1,383,859	477,748
Charitable activities	5	225,306	9,069,195	-	9,294,501	8,299,481
Teaching schools		-	162,448	-	162,448	159,265
Other trading activities	6	26,012	1,013,661	-	1,039,673	1,028,849
Investments	7	12,258	-	-	12,258	12,870
<b>Total income</b>		<b>263,576</b>	<b>10,245,304</b>	<b>1,383,859</b>	<b>11,892,739</b>	<b>9,978,213</b>
<b>Expenditure on:</b>						
Raising funds	9	-	960,934	-	960,934	864,614
Charitable activities	10	219,797	9,574,352	792,271	10,586,420	9,624,588
Teaching schools		-	118,918	-	118,918	134,078
<b>Total expenditure</b>		<b>219,797</b>	<b>10,654,204</b>	<b>792,271</b>	<b>11,666,272</b>	<b>10,623,280</b>
<b>Net income/(expenditure)</b>		<b>43,779</b>	<b>(408,900)</b>	<b>591,588</b>	<b>226,467</b>	<b>(645,067)</b>
Transfers between funds	19	(175,814)	51,577	124,237	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>(132,035)</b>	<b>(357,323)</b>	<b>715,825</b>	<b>226,467</b>	<b>(645,067)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	26	-	(787,000)	-	(787,000)	(505,000)
<b>Net movement in funds</b>		<b>(132,035)</b>	<b>(1,144,323)</b>	<b>715,825</b>	<b>(560,533)</b>	<b>(1,150,067)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		305,893	(3,110,340)	26,651,427	23,846,980	24,997,047
Net movement in funds		(132,035)	(1,144,323)	715,825	(560,533)	(1,150,067)
<b>Total funds carried forward</b>		<b>173,858</b>	<b>(4,254,663)</b>	<b>27,367,252</b>	<b>23,286,447</b>	<b>23,846,980</b>

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

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

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

The notes on pages 37 to 67 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	15	25,716,752	25,859,183
<b>Current assets</b>			
Debtors	16	276,557	388,526
Cash at bank and in hand		3,339,778	2,513,081
		<u>3,616,335</u>	<u>2,901,607</u>
Creditors: amounts falling due within one year	17	(1,260,140)	(1,286,560)
<b>Net current assets</b>		<u>2,356,195</u>	<u>1,615,047</u>
<b>Total assets less current liabilities</b>		<u>28,072,947</u>	<u>27,474,230</u>
Creditors: amounts falling due after more than one year	18	(27,500)	(31,250)
<b>Net assets excluding pension liability</b>		<u>28,045,447</u>	<u>27,442,980</u>
Defined benefit pension scheme liability	26	(4,759,000)	(3,596,000)
<b>Total net assets</b>		<u><u>23,286,447</u></u>	<u><u>23,846,980</u></u>
<b>Funds of the academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	19	27,367,252	26,651,427
Restricted income funds	19	504,337	485,660
		<u>27,871,589</u>	<u>27,137,087</u>
Restricted funds excluding pension asset	19	27,871,589	27,137,087
Pension reserve	19	(4,759,000)	(3,596,000)
<b>Total restricted funds</b>	19	<u>23,112,589</u>	<u>23,541,087</u>
<b>Unrestricted income funds</b>	19	173,858	305,893
<b>Total funds</b>		<u><u>23,286,447</u></u>	<u><u>23,846,980</u></u>

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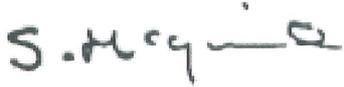
THE DENBIGH ALLIANCE  
(A Company Limited by Guarantee)  
REGISTERED NUMBER: 07527108

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BALANCE SHEET (CONTINUED)  
AS AT 31 AUGUST 2020

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The financial statements on pages 32 to 67 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



.....  
**Ms S McGuire**  
Chair of Trustees  
Date: 2 December 2020

The notes on pages 37 to 67 form part of these financial statements.

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

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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	<b>Note</b>	<b>2020</b> £	<i>2019</i> £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	<b>190,634</b>	<i>439,988</i>
<b>Cash flows from investing activities</b>	23	<b>745,847</b>	<i>116,282</i>
<b>Cash flows from financing activities</b>	22	<b>(3,750)</b>	<i>6,250</i>
<b>Change in cash and cash equivalents in the year</b>		<b>932,731</b>	<i>562,520</i>
Cash and cash equivalents at the beginning of the year		<b>2,513,081</b>	<i>1,950,561</i>
<b>Cash and cash equivalents at the end of the year</b>	24, 25	<b>3,445,812</b>	<i>2,513,081</i>

The notes on pages 37 to 67 form part of these financial statements

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

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

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**1. General information**

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

**2. Accounting policies**

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

**2.1 Basis of preparation of financial statements**

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

**2.2 Going concern**

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

**2.3 Income**

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

• **Grants**

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

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

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

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

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

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**2. Accounting policies (continued)**

**2.3 Income (continued)**

• **Donations**

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

• **Other income**

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

**2.4 Expenditure**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**2.5 Interest receivable**

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

**2.6 Tangible fixed assets**

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

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

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

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

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

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**2. Accounting policies (continued)**

**2.6 Tangible fixed assets (continued)**

expected useful life, as follows:

Depreciation is provided on the following basis:

Freehold property	-	2% - 2.6%
Furniture and equipment	-	10%
Plant and machinery	-	20%
Computer equipment	-	20%

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

**2.7 Debtors**

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

**2.8 Cash at bank and in hand**

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

**2.9 Liabilities**

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

**2.10 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

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

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

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

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**2. Accounting policies (continued)**

**2.11 Operating leases**

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

**2.12 Pensions**

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

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

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

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

**2.13 Agency arrangements**

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

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

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

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**2. Accounting policies (continued)**

**2.14 Fund accounting**

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

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

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

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

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

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

**Depreciation and residual values**

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

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

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

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

	<b>Restricted fixed asset funds 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Capital Grants	1,383,859	<b>1,383,859</b>	477,748
<i>Total 2019</i>	<u>477,748</u>	<u>477,748</u>	

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

	<b>Unrestricted funds 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	8,078,755	<b>8,078,755</b>	7,559,003
Pupil Premium	-	193,120	<b>193,120</b>	172,720
Rates Relief	-	49,972	<b>49,972</b>	49,012
Other ESFA income	-	612,622	<b>612,622</b>	150,231
	-	8,934,469	<b>8,934,469</b>	7,930,966
<b>Other government grants</b>				
ISP income	-	123,571	<b>123,571</b>	143,025
Other government grants	-	11,155	<b>11,155</b>	13,580
	-	134,726	<b>134,726</b>	156,605
<b>Other income</b>				
Music income	16,038	-	<b>16,038</b>	17,211
Trip income	95,360	-	<b>95,360</b>	130,338
Other income	113,908	-	<b>113,908</b>	64,361
	225,306	-	<b>225,306</b>	211,910
	225,306	9,069,195	<b>9,294,501</b>	8,299,481
<i>Total 2019</i>	<u>211,910</u>	<u>8,087,571</u>	<u>8,299,481</u>	

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**6. Income from other trading activities**

	<b>Unrestricted funds 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Lettings income	26,012	-	<b>26,012</b>	129,657
Maths Hub, Computer Hub and SCITT income	-	1,013,661	<b>1,013,661</b>	899,192
	<u>26,012</u>	<u>1,013,661</u>	<u><b>1,039,673</b></u>	<u>1,028,849</u>
<i>Total 2019</i>	<u>129,657</u>	<u>899,192</u>	<u>1,028,849</u>	

**7. Investment income**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Investment income	<u>12,258</u>	<u><b>12,258</b></u>	<u>12,870</u>
<i>Total 2019</i>	<u>12,870</u>	<u>12,870</u>	

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**8. Expenditure**

	<b>Staff Costs 2020 £</b>	<b>Premises 2020 £</b>	<b>Other 2020 £</b>	<b>Total 2020 £</b>	<i>Total 2019 £</i>
Expenditure on fundraising trading activities:					
Direct costs	406,879	-	554,055	<b>960,934</b>	864,614
Educational Activities:					
Direct costs	6,492,768	-	589,960	<b>7,082,728</b>	6,045,014
Allocated support costs	1,743,405	1,052,284	708,003	<b>3,503,692</b>	3,579,574
Teaching school	87,317	-	31,601	<b>118,918</b>	134,078
	<u>8,730,369</u>	<u>1,052,284</u>	<u>1,883,619</u>	<u><b>11,666,272</b></u>	<u>10,623,280</u>
<i>Total 2019</i>	<u><u>7,709,842</u></u>	<u><u>1,044,959</u></u>	<u><u>1,868,479</u></u>	<u><u>10,623,280</u></u>	

**9. Expenditure on raising funds**

**Other trading expenses**

	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
SCITT	143,979	<b>143,979</b>	113,667
Maths Hub	395,392	<b>395,392</b>	468,213
Computer Hub	14,684	<b>14,684</b>	-
Trading staff costs	406,879	<b>406,879</b>	282,734
	<u>960,934</u>	<u><b>960,934</b></u>	<u>864,614</u>
<i>Total 2019</i>	<u><u>864,614</u></u>	<u><u>864,614</u></u>	

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**10. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2020 £</b>	<b>Support costs 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Educational Activities	7,082,728	3,503,692	<b>10,586,420</b>	9,624,588
<i>Total 2019</i>	<u>6,045,014</u>	<u>3,579,574</u>	<u>9,624,588</u>	

**Analysis of support costs**

	<b>Educational Activities 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Pension expense	64,000	<b>64,000</b>	68,000
Staff costs	1,743,405	<b>1,743,405</b>	1,853,646
Depreciation	792,271	<b>792,271</b>	816,783
Technology costs	152,077	<b>152,077</b>	151,466
Premises costs	396,454	<b>396,454</b>	386,273
Other support costs	342,235	<b>342,235</b>	286,744
Governance costs	13,250	<b>13,250</b>	16,662
	<u>3,503,692</u>	<u><b>3,503,692</b></u>	<u>3,579,574</u>
<i>Total 2019</i>	<u>3,579,574</u>	<u>3,579,574</u>	

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

Net income/(expenditure) for the year includes:

	<b>2020</b>	<i>2019</i>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets	<b>792,271</b>	<i>816,783</i>
Loss on disposal of fixed assets	<b>430</b>	<i>4,237</i>
Fees paid to auditors for:		
- audit	<b>9,275</b>	<i>9,000</i>
- other services	<b>3,975</b>	<i>4,000</i>
	<b><u>3,975</u></b>	<i><u>4,000</u></i>

**12. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2020</b>	<i>2019</i>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>5,872,353</b>	<i>5,479,444</i>
Social security costs	<b>617,386</b>	<i>524,588</i>
Pension costs	<b>1,653,299</b>	<i>1,241,471</i>
	<b><u>8,143,038</u></b>	<i><u>7,245,503</u></i>
Agency staff costs	<b>93,135</b>	<i>96,436</i>
Trading account staff costs	<b>494,196</b>	<i>367,903</i>
	<b><u>8,730,369</u></b>	<i><u>7,709,842</u></i>

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**12. Staff (continued)**

**b. Staff numbers**

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

	<b>2020</b>	<i>2019</i>
	<b>No.</b>	<i>No.</i>
Teachers	<b>92</b>	<i>92</i>
Admin and support staff	<b>98</b>	<i>99</i>
Management Staff	<b>14</b>	<i>13</i>
	<b>204</b>	<i>204</i>

**c. Higher paid staff**

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

	<b>2020</b>	<i>2019</i>
	<b>No.</b>	<i>No.</i>
In the band £60,001 - £70,000	<b>8</b>	<i>6</i>
In the band £70,001 - £80,000	<b>1</b>	<i>2</i>
In the band £80,001 - £90,000	<b>2</b>	<i>1</i>
In the band £110,001 - £120,000	<b>1</b>	<i>1</i>

**d. Key management personnel**

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £1,251,093 (2019: £971,312).

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**13. Trustees' remuneration and expenses**

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

		<b>2020</b>	<i>2019</i>
		<b>£</b>	<b>£</b>
Mr A Squires	Remuneration	<b>120,000 - 125,000</b>	<i>110,000 - 115,000</i>
	Pension contributions paid	<b>25,000 - 30,000</b>	<i>15,000 - 20,000</i>

During the year, retirement benefits were accruing to 1 Trustees (*2019 - 1*) in respect of defined benefit pension schemes.

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

**14. Trustees' and Officers' insurance**

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

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**15. Tangible fixed assets**

	Freehold property £	Assets under construction £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
<b>Cost or valuation</b>						
At 1 September 2019	30,676,617	-	995,461	222,447	1,044,831	32,939,356
Additions	323,859	157,862	12,651	19,600	136,298	650,270
Disposals	-	-	-	-	(665)	(665)
At 31 August 2020	<u>31,000,476</u>	<u>157,862</u>	<u>1,008,112</u>	<u>242,047</u>	<u>1,180,464</u>	<u>33,588,961</u>
<b>Depreciation</b>						
At 1 September 2019	5,098,330	-	939,144	131,840	910,859	7,080,173
Charge for the year	666,011	-	26,773	16,282	83,205	792,271
On disposals	-	-	-	-	(235)	(235)
At 31 August 2020	<u>5,764,341</u>	<u>-</u>	<u>965,917</u>	<u>148,122</u>	<u>993,829</u>	<u>7,872,209</u>
<b>Net book value</b>						
At 31 August 2020	<u><u>25,236,135</u></u>	<u><u>157,862</u></u>	<u><u>42,195</u></u>	<u><u>93,925</u></u>	<u><u>186,635</u></u>	<u><u>25,716,752</u></u>
At 31 August 2019	<u><u>25,578,287</u></u>	<u><u>-</u></u>	<u><u>56,317</u></u>	<u><u>90,607</u></u>	<u><u>133,972</u></u>	<u><u>25,859,183</u></u>

**16. Debtors**

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	25,074	90,858
Other debtors	50,096	49,111
Prepayments and accrued income	201,387	248,557
	<u><u>276,557</u></u>	<u><u>388,526</u></u>

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

	<b>2020</b>	<i>2019</i>
	£	£
Other loans	<b>5,000</b>	5,000
Trade creditors	<b>323,594</b>	493,985
Other taxation and social security	<b>151,080</b>	135,764
Other creditors	<b>165,364</b>	123,239
Accruals and deferred income	<b>615,102</b>	528,572
	<b>1,260,140</b>	1,286,560
	<b>1,260,140</b>	1,286,560
	<b>2020</b>	<i>2019</i>
	£	£
Deferred income at 1 September 2019	<b>364,327</b>	80,551
Resources deferred during the year	<b>540,308</b>	364,327
Amounts released from previous periods	<b>(364,327)</b>	(80,551)
	<b>540,308</b>	364,327
	<b>540,308</b>	364,327

Deferred income held at the balance sheet date includes Grant income and trip income relating to the 2020/21 academic year as well as clawback income for underspends on the Maths Hub, SCITT and Teaching School.

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

	<b>2020</b>	<i>2019</i>
	£	£
Other loans	<b>27,500</b>	31,250
	<b>27,500</b>	31,250

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

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**19. Statement of funds**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
General Fund	305,893	263,576	(219,797)	(175,814)	-	173,858
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	8,078,755	(8,130,332)	51,577	-	-
Pupil Premium	-	193,120	(193,120)	-	-	-
Rates Relief	-	49,972	(49,972)	-	-	-
Other ESFA income	-	512,322	(512,322)	-	-	-
Local authority	-	134,726	(134,726)	-	-	-
S.C.I.T.T	121,828	427,380	(392,726)	-	-	156,482
Teaching School	225,933	162,448	(118,918)	-	-	269,463
Maths Hub	124,745	462,807	(504,494)	-	-	83,058
Computer Hub	-	123,474	(63,714)	-	-	59,760
Watling	13,154	100,300	(177,880)	-	-	(64,426)
Pension reserve	(3,596,000)	-	(376,000)	-	(787,000)	(4,759,000)
	<u>(3,110,340)</u>	<u>10,245,304</u>	<u>(10,654,204)</u>	<u>51,577</u>	<u>(787,000)</u>	<u>(4,254,663)</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed asset fund	25,859,183	-	(792,271)	649,840	-	25,716,752
DFC	23,533	33,859	-	(57,392)	-	-
ESFA Capital	249,993	-	-	(187,497)	-	62,496
New Build grant	238,004	-	-	-	-	238,004
CIF - Roof	280,714	-	-	(280,714)	-	-
Watling	-	1,350,000	-	-	-	1,350,000
	<u>26,651,427</u>	<u>1,383,859</u>	<u>(792,271)</u>	<u>124,237</u>	<u>-</u>	<u>27,367,252</u>

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Total Restricted funds</b>	<b>23,541,087</b>	<b>11,629,163</b>	<b>(11,446,475)</b>	<b>175,814</b>	<b>(787,000)</b>	<b>23,112,589</b>
<b>Total funds</b>	<b>23,846,980</b>	<b>11,892,739</b>	<b>(11,666,272)</b>	<b>-</b>	<b>(787,000)</b>	<b>23,286,447</b>

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

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

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

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

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

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

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

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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

**Total funds analysis by academy**

Fund balances at 31 August 2020 were allocated as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Denbigh School	<b>173,858</b>	305,893
Watling Academy	<b>(64,426)</b>	13,154
Central Services	<b>568,763</b>	472,506
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	<b>678,195</b>	791,553
Restricted fixed asset fund	<b>27,367,252</b>	26,651,427
Pension reserve	<b>(4,759,000)</b>	(3,596,000)
	<hr/>	<hr/>
<b>Total</b>	<b>23,286,447</b>	<b>23,846,980</b>
	<hr/> <hr/>	<hr/> <hr/>

The following academy is carrying a net deficit on its portion of the funds as follows:

	<b>Deficit</b>
	<b>£</b>
Watling Academy	<b>(64,426)</b>
	<hr/> <hr/>

Watling Academy is a new school that was opened on 1 September 2020. During the year the costs incurred were for the set up of the school and this will be covered by income the academy receives in the next year.

The academy is taking the following action to return the academy to surplus:

As the academy opened in September 2020 the income received in the 2020/21 year will be used to pay back the deficit incurred to the central services.

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

**Total cost analysis by academy**

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

	<b>Teaching and educational support staff costs</b>	<b>Other support staff costs</b>	<b>Educational supplies</b>	<b>Other costs excluding depreciation</b>	<b>Total 2020</b>	<i>Total 2019</i>
	£	£	£	£	£	£
Denbigh School	6,390,948	1,222,662	93,444	1,909,215	<b>9,616,269</b>	8,795,959
Watling Academy	101,820	-	-	76,060	<b>177,880</b>	11,846
Central Services	-	520,743	-	559,109	<b>1,079,852</b>	998,692
<b>Academy</b>	<u>6,492,768</u>	<u>1,743,405</u>	<u>93,444</u>	<u>2,544,384</u>	<u><b>10,874,001</b></u>	<u>9,806,497</u>

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

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

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

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

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

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

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

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

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**20. Analysis of net assets between funds (continued)**

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

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

**21. Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	<b>2020 £</b>	<b>2019 £</b>
Net income/(expenditure) for the period (as per Statement of Financial Activities)	<b>226,467</b>	<b>(645,067)</b>
<b>Adjustments for:</b>		
Depreciation	<b>792,271</b>	816,783
Capital grants from DfE and other capital income	<b>(1,383,859)</b>	(477,748)
Interest receivable	<b>(12,258)</b>	(12,870)
Defined benefit pension scheme cost less contributions payable	<b>312,000</b>	315,000
Defined benefit pension scheme finance cost	<b>64,000</b>	68,000
Decrease/(increase) in debtors	<b>111,969</b>	(129,650)
Increase in creditors	<b>79,614</b>	501,303
Loss on sale of fixed assets	<b>430</b>	4,237
<b>Net cash provided by operating activities</b>	<b>190,634</b>	<b>439,988</b>

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**22. Cash flows from financing activities**

	2020 £	2019 £
Cash inflows from new borrowing	-	10,000
Repayments of borrowing	(3,750)	(3,750)
<b>Net cash (used in)/provided by financing activities</b>	<b>(3,750)</b>	<b>6,250</b>

**23. Cash flows from investing activities**

	2020 £	2019 £
Dividends, interest and rents from investments	12,258	12,870
Purchase of tangible fixed assets	(650,270)	(374,336)
Capital grants from DfE Group	33,859	477,748
Capital funding received from sponsors and others	1,350,000	-
<b>Net cash provided by investing activities</b>	<b>745,847</b>	<b>116,282</b>

**24. Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash in hand	<b>3,445,812</b>	<b>2,513,081</b>

**25. Analysis of changes in net debt**

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	2,513,081	826,697	3,339,778
Debt due within 1 year	(5,000)	-	(5,000)
Debt due after 1 year	(31,250)	3,750	(27,500)
	<b>2,476,831</b>	<b>830,447</b>	<b>3,307,278</b>

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**26. Pension commitments**

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

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

Contributions amounting to £154,632 were payable to the schemes at 31 August 2020 (2019 - £115,968) and are included within creditors.

**Teachers' Pension Scheme**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

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**26. Pension commitments (continued)**

The employer's pension costs paid to TPS in the year amounted to £1,047,120 (2019 - £664,108).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £382,000 (2019 - £341,000), of which employer's contributions totalled £294,000 (2019 - £263,000) and employees' contributions totalled £ 88,000 (2019 - £78,000). The agreed contribution rates for future years are 21% per cent for employers and 5.5 - 12.5% per cent for employees.

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

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

**Principal actuarial assumptions**

	<b>2020</b>	<i>2019</i>
	%	%
Rate of increase in salaries	<b>3.3</b>	3.7
Rate of increase for pensions in payment/inflation	<b>2.3</b>	2.2
Discount rate for scheme liabilities	<b>1.6</b>	1.85

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

	<b>2020</b>	<i>2019</i>
	Years	Years
<i>Retiring today</i>		
Males	<b>21.8</b>	22.9
Females	<b>25.1</b>	24.8
<i>Retiring in 20 years</i>		
Males	<b>23.2</b>	24.6
Females	<b>26.6</b>	26.7

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**26. Pension commitments (continued)**

**Sensitivity analysis**

	<b>2020</b>	2019
	<b>£000</b>	£000
Discount rate +0.1%	<b>(219)</b>	(179)
Discount rate -0.1%	<b>224</b>	183
Mortality assumption - 1 year increase	<b>374</b>	292
Mortality assumption - 1 year decrease	<b>(359)</b>	(282)
CPI rate +0.1%	<b>209</b>	167
CPI rate -0.1%	<b>(204)</b>	(163)

**Share of scheme assets**

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

	<b>2020</b>	2019
	<b>£</b>	£
Equities	<b>2,532,000</b>	2,340,000
Gilts	<b>486,000</b>	511,000
Other bonds	<b>724,000</b>	619,000
Property	<b>289,000</b>	297,000
Cash and other liquid assets	<b>121,000</b>	140,000
Alternative assets	<b>42,000</b>	29,000
Hedge funds	<b>219,000</b>	222,000
Absolute return portfolio	<b>205,000</b>	198,000
<b>Total market value of assets</b>	<b>4,618,000</b>	4,356,000

The actual return on scheme assets was £141,000 (2019 - £340,000).

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

	<b>2020</b>	2019
	<b>£</b>	£
Current service cost	<b>(602,000)</b>	(507,000)
Past service cost	-	(68,000)
Interest income	<b>83,000</b>	104,000
Interest cost	<b>(147,000)</b>	(172,000)
Administrative expenses	<b>(4,000)</b>	(3,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(670,000)</b>	(646,000)

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**26. Pension commitments (continued)**

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

	2020 £	2019 £
<b>At 1 September</b>	<b>7,952,000</b>	6,531,000
Current service cost	602,000	507,000
Interest cost	147,000	172,000
Employee contributions	88,000	78,000
Actuarial losses	689,000	741,000
Benefits paid	(101,000)	(145,000)
Past service costs	-	68,000
<b>At 31 August</b>	<b>9,377,000</b>	7,952,000

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

	2020 £	2019 £
<b>At 1 September</b>	<b>4,356,000</b>	3,823,000
Interest income	83,000	104,000
Actuarial (losses)/gains	(98,000)	236,000
Employer contributions	294,000	263,000
Employee contributions	88,000	78,000
Benefits paid	(101,000)	(145,000)
Administration costs	(4,000)	(3,000)
<b>At 31 August</b>	<b>4,618,000</b>	4,356,000

**27. Operating lease commitments**

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

	2020 £	2019 £
Not later than 1 year	8,352	24,450
Later than 1 year and not later than 5 years	13,224	21,576
	<b>21,576</b>	46,026

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**28. Members' liability**

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

**29. Related party transactions**

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

Facilities of Shenley Leisure Centre are shared between the academy and Shenley Leisure Centre Trust Limited where five people are trustees of both entities. During the year the academy received income of £32,702 (2019: £128,741) in relation to lettings income and recharging the utility costs of the shared access areas. The academy also paid £1,379 (2019: £7,050) to Shenley Leisure Centre Trust Limited as their share of any repairs and cleaning costs incurred.

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

**30. Agency arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the trust received £36,029 (2019: £35,986) and disbursed £51,431 (2019: £29,543) from the fund. An amount of £3,489 (2019: £18,891) is included in other creditors relating to undistributed funds.

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**31. Teaching school Trading account**

	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	£	£	£	£
<b>Income</b>				
Teaching school income		<b>162,448</b>		159,265
<b>Expenditure</b>				
<b>Direct expenditure</b>				
Direct staff costs	<b>87,317</b>		85,169	
Course costs	<b>27,222</b>		45,825	
<b>Total direct expenditure</b>	<b>114,539</b>		130,994	
<b>Other expenditure</b>				
Catering costs	<b>1,151</b>		1,387	
Travel costs	<b>562</b>		533	
Advertising costs	-		100	
Audit fees	<b>916</b>		1,064	
Other costs	<b>1,750</b>		-	
<b>Total other expenditure</b>	<b>4,379</b>		3,084	
<b>Total expenditure</b>		<b>118,918</b>		134,078
<b>Surplus from all sources</b>		<b>43,530</b>		25,187
Teaching school balances at 1 September 2019		<b>225,933</b>		200,746
Teaching school balances at 31 August 2020		<b>269,463</b>		225,933

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**32. Maths Hub Trading account**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Income</b>		
Maths Hub income	<b>462,807</b>	551,762
<b>Direct costs</b>		
Staff costs	<b>109,102</b>	81,459
Course costs	<b>387,667</b>	460,491
	<b>496,769</b>	541,950
<b>Support costs</b>		
Travel	<b>2,514</b>	1,498
Catering	<b>1,722</b>	-
Audit fees	<b>2,250</b>	-
Advertising	<b>34</b>	882
Other	<b>1,205</b>	5,342
	<b>7,725</b>	7,722
<b>(Deficit)/Surplus for the year</b>	<b>(41,687)</b>	2,090
Maths Hub balances at 1 September 2019	<b>124,745</b>	122,655
<b>Maths Hub balances at 31 August 2020</b>	<b>83,058</b>	124,745

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

	2020 £	2019 £
<b>Income</b>		
SCITT income	427,380	347,430
	427,380	347,430
<b>Direct costs</b>		
Staff costs	248,747	201,275
Course costs	135,574	100,447
	384,321	301,722
<b>Support costs</b>		
Staff training	678	950
Catering	158	945
Travel	431	961
Advertising	4,203	7,486
Audit fees	1,800	1,000
Other	1,135	1,878
	8,405	13,220
<b>Surplus for the year</b>	<b>34,654</b>	<b>32,488</b>
S.C.I.T.T balances at 1 September 2019	121,828	89,340
<b>S.C.I.T.T balances at 31 August 2020</b>	<b>156,482</b>	<b>121,828</b>

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**34. Computer Hub Trading Account**

	2020 £	2019 £
<b>Income</b>		
Computer Hub income	123,474	-
	123,474	-
<b>Direct costs</b>		
Staff costs	49,030	-
Course costs	7,026	-
	56,056	-
<b>Support costs</b>		
Travel	77	-
Other costs	7,581	-
	7,658	-
<b>Surplus for the year</b>	59,760	-
Computer Hub balance at 1 September 2019	-	-
<b>Computer Hub balance at 31 August 2020</b>	59,760	-