

Dorchester Middle School
(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the Year Ended 31 August 2018

Company Registration Number: 08059041 (England and Wales)



Dorchester Middle School
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Dorchester Middle School
Reference and Administrative Details

Members and Trustees

J Adams	
P Bailey	
N Bousfield	
C Dearden	
J Dunne	
J Fairless	(Appointed: 30/01/2018)
A Gallaher (Mrs Hardle)	
K Gallego	(Resigned: 15/11/2017)
A Hambleton-White	(Resigned: 06/06/2018)
A Keogh-Larkin	(Resigned: 11/01/2018)
S Legg	(Appointed: 28/11/2017)
C Pluck	(Resigned: 30/10/2017)
M Reed	(Appointed: 03/10/2017)
L Upchurch	(Appointed: 28/11/2017)
A Walters	(Resigned: 01/09/2017)
S Wood	

Senior Management Team

Head Teacher	C Dearden
Deputy Head Teacher	C Pluck
Assistant Head Teacher	C Hepworth-Wain
Business Manager	D Shutts

Company Name

Dorchester Middle School

Principal and Registered Office

Dorchester Middle School
Queens Avenue
Dorchester, Dorset
DT1 2HS

Company Registration Number

08059041 (England and Wales)

Independent Auditor

Albert Goodman LLP
Mary Street House
Mary Street
Taunton
Somerset
TA1 3NW

Bankers

Lloyds Bank
1-2 High Street
Dorchester
Dorset
DT1 1UG

The Trustees present their annual report together with the financial statements and audited report for the charitable company for the year ended 31 August 2018. The Annual Report serves the purpose of both a Trustees' report and a Directors' report under Company Law.

The Trust operates a Middle School Academy for pupils aged 9 to 13, serving a catchment area from Dorchester and the surrounding villages. Admissions are dealt with by adhering to the Academy's Admissions Policy. The Academy has a capacity of 600 pupils, and had a roll of 614 for the academic year 2017/18.

Structure, Governance and Management

Constitution

Dorchester Middle School is a company limited by guarantee with no share capital (registration no. 8059041). The charitable company's memorandum and articles of association are the prime governing documents of School. The articles of association require members of the charitable company to appoint not less than 3 directors (Trustees) as a Governing Body to be responsible for the statutory and constitutional affairs of the charitable company and the management of School.

The principal object of the academy is to provide, for the public benefit, education in the United Kingdom.

Members' Liability

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

Trustees' Indemnities

Subject to the provisions of the Companies Act 2006 every Trustee or other officer or auditor of the Academy shall be indemnified out of the assets of the Academy against any liability incurred by him/her in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he/she is acquitted or in connection with any application in which relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy.

The Academy has arranged a professional indemnity insurance policy with the RPA with a limit of £10,000,000.

Method of Recruitment and Appointment or Election of Trustees

The Trustees are directors of the charitable company for the purposes of the Companies Act 2006, and Trustees for the purposes of the charity legislation. The term of office for any Trustee shall be 4 years, save that this shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be reappointed or re-elected. The Trustees who served in the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements are listed on page 2

There is a positive targeting of skills required when seeking new Trustees.

Policies and Procedures Adopted for the Induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience and is tailored to the needs of the individual. Where necessary, induction will provide training on charity, educational, legal and financial matters. All new Trustees are given a tour of the school and the chance to meet staff and students. All Trustees are provided with access to policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees

Organisational Structure

Dorchester Middle School has a management structure of a Governing Body and a Leadership Team led by the Headteacher. Following further restructure in 2018, there is also an extended Leadership team.

The Board of Trustees has overarching responsibility for the school, including:

- Policy development and strategic planning, including target-setting to keep up momentum on school improvement.
- Ensuring sound management and administration of the school, and ensuring that managers are equipped with relevant skills and guidance.
- Ensuring compliance with legal requirements.
- Establishing and maintaining a transparent system of prudent and effective internal controls.
- Management of the school's financial, human and other resources.
- Monitoring performance and the achievement of objectives, and ensuring that plans for improvement are acted upon.
- Helping the school to be responsive to the needs of parents and the community and making it more accountable through consultation and reporting.
- Setting the school's standards of conduct and values.
- Assessing and managing risk (including preparation of a statement on the school's risk management for its annual report and accounts).
- Ensuring that bank accounts, financial systems and financial records are operated by more than one person.
- Ensuring that all the school's property is under the control of the trustees.
- Keeping full and accurate accounting records.
- Preparing accruals accounts giving a true and fair view of the school's incoming resources and application of resources during the period and of its state of affairs at the period end.

In addition, the Governing Body have also assigned governors to specific lead governor roles to reflect key elements of its work. The appointments are as follows:

SEN/Inclusion	Jane Fairless
Health and Safety	Michael Reed
Safeguarding	Stuart Legg
English	Pat Bailey
Music	Amanda Hardie
Sports	Stuart Legg
PP	Stuart Legg
Maths	Amanda Hardie
Science	Amanda Hardie
Curriculum	John Adams
MFL	Lisa Upchurch
Design and Technology	John Adams
Pupil Voice	Sue Wood
Careers	Michael Reed
Humanities	Pat Bailey
SMSC	Jan Dunne
ICT	Jan Dunne
Data Protection	Lisa Upchurch

Quality assurance by the governing body has ensured expediency in school's finances and appropriate staff re-structuring to meet the needs of current pupil cohorts. Additionally, the Governing Body has fully tested the information provided by the school for pupil progress and attainment. Whilst it is acknowledged that outcomes remain low in key stage 2, outcomes at the end of Year 8 are high with almost all pupils making at least the expected progress from their starting points and a high majority attaining at least the expected standard for their age, across the curriculum. An area for development for the governing body is to undertake the NGA self-evaluation exercise.

The executive powers of the Board of Trustees are delegated to the Headteacher unless specifically retained or otherwise set out in approved policies. The Headteacher is the accounting officer of the school.

Arrangements for setting pay and remuneration of key management personnel

The Trust has a SLA with the Local Education Authority regarding all aspects of HR, and is advised in pay decisions by the LEA accordingly.

Pay is linked to Performance Management: the Pay Committee includes the Chair of Trustees, two Vice Chairs (Chair of Finance and Chair of Curriculum) and the SIP appointed to the school

Trade union facility time

No employees were relevant union officials during the year.

Connected Organisations including Related Party Relationships

There are no related parties which either control or significantly influence the operations or decisions of Dorchester Middle School. A register of business interests is maintained by the Clerk to the Trustees and shows a nil return for the year 2017/18.

Objectives and Activities

Objects and Aims

The principal object of the Trust is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

There is an on-going School Development Plan which informs the aims.

Objectives, Strategies and Activities

The aims of the School are:

- To maintain high quality learning and teaching in all subject areas and across all key stages in order to provide students with high quality learning experiences that will enable them to make exceptional progress and develop skills for lifelong learning.
- To improve attainment, achievement and progress to ensure that all students achieve their potential with a particular focus on the achievement of vulnerable groups. The school has high expectations for all students regardless of ability or disadvantage.
- To monitor and assess learning effectively so that we can put in place high quality intervention and support at an early stage to make sure that all students can achieve their potential in every classroom.
- To personalise the curriculum at all key stages to promote achievement for different groups of students.
- To ensure the principles of sustainability remain central to school policy and practice.

Public Benefit

The Trustees confirm that the academy has complied with their duty to have due regard to the Charity Commission's general guidance on public benefit. The academy meets these requirements by providing free education to all those enrolled in the academy as well as numerous other benefits provided to the local community. The academy's facilities are available for the people of the surrounding area to hire.

Equal Opportunities

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy promotes equal opportunities in all areas of its activities including the creation of a working environment in which the contribution and needs of all people are fully valued. Academy policies are in accordance with legal requirements.

Disabled Persons

The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy does this by making reasonable adaptations to the physical environment, by making support resources available and through training and career development. Academy policies are in accordance with legal requirements.

Strategic Report

Achievements and Performance

At Dorchester Middle School we track pupil achievement (progress and attainment) very closely. GL testing is undertaken in Y4 whilst pupils are still in First School. This is used as a baseline for tracking achievement from the pupils' point of entry to the school. We also track progress and attainment in relation to the statutory assessment at KS and KS2. Assessment systems are embedded across the school and facilitate tracking of pupils achievement in all year groups and in all subjects

The school was last inspected by Ofsted in March 2014. Inspectors stated that "pupils are taught well and encouraged to achieve their best so they are therefore suitably prepared for their next schools", "by the time they leave, most have achieved particularly well in Reading and Mathematics", and "the schools provision for physically disabled pupils is particularly effective".

A short Ofsted Inspection, section 8, took place on Thursday 15th November 2018. The Inspection did not convert to two days.

Key Performance Indicators

KS2 Summer 2018:

Read AS	Read GD	Read Progress	Write AS	Write GD	Write Progress	GPVSAS	GPVSGD	GPVS Progress	Maths AS	Maths GD	Maths Progress	Read Write, Maths, AS	Read Write, Maths GD
64% (+24% on entry)	29%	-2.35	62% (+51% on entry)	20%	-2.21	62%	25%	N/A	59% (+8% on entry)	13%	-4.30	51%	8%

Data Summary 17-18

Key stage 2

		Read At Standard on Entry (KS1/On Entry data)	Read At Standard at end of year (TA/GL)	Read Progress (KS1/On Entry data)	Write At Standard on Entry (KS1/On Entry data)	Write At Standard at end of year (TA/GL)	Write Progress (KS1/On Entry data)	Maths At Standard on Entry (KS1/On Entry data)	Maths At Standard at end of year (TA/GL)	Maths Progress (KS1/On Entry data)
Year 5 (%)	5	81 / 68	65	64 / 76	68 / 4	46	62 / 99	94 / 71	56	65 / 65
Year 6 (%)	6	81 / 48	70	78 / 95	72 / 11	62	69 / 97	91 / 51	62	55 / 93

Key Stage 3

	Read At Standard on Entry (KS1/On Entry/KS2 data)	Read At Standard at end of year (TA/GL)	Read Progress (KS1/On Entry/KS2 data)	Write At Standard on Entry (KS1/On Entry/KS2 data)	Write At Standard at end of year (TA/GL)	Write Progress (KS1/On Entry/KS2 data)	Maths At Standard on Entry (KS1/On Entry/KS2 data)	Maths At Standard at end of year (TA/GL)	Maths Progress (KS1/On Entry/KS2 data)	Science At Standard on Entry (On Entry)	Science At Standard at end of year (TA/GL)	Science Progress (KS1/On Entry/KS2 data)
Year 7 (%)	95 / 21 / 71	55 / 90	45 / 96 / 60	94 / 3 / 51	71 / 89	64 / 95 / 95	82 / 58 / 58	63 / 85	56 / 99 / 96	4	82 / NA	80 / 100 / 99
Year 8 (%)	89 / 79 / 62	79 / 93	65 / 83 / 95	89 / 81 / 50	74 / 89	71 / 80 / 100	94 / 76 / 60	79 / 86	73 / 92	83	89 / 84	92 / 96

GL data: Yr 7 English 90% EP/+; 39% EP+
Yr 8 English 75% EP/+; 15% EP+

Yr 7 Maths 94% EP/+; 49% EP+
Yr 8 Maths 81% EP/+; 31% EP+

i Schools causing concern Guidance for local authorities and Regional Schools Commissioners on how to work with schools to support improvements to educational performance, and on using their intervention powers

February 2018

The majority of middle schools are deemed to be secondary schools but, due to the age range, pupils are subject to the coasting definition relating to Key Stage 2, rather than the coasting definition relating to Key Stage 4. A pupil may, however, only have attended a middle school for a short time before they took the Key Stage 2 tests and may still have a number of years left at the school. For this reason, RSCs will give consideration to the wider context when a middle school meets the coasting definition. This will include giving consideration to the progress made by pupils from the point of entry to the middle school to when they leave, which may be demonstrated by robust and, where possible, externally benchmarked school data.

ii School Inspection Handbook September 2018

Incomplete Key Stages

201. When evaluating pupil progress, inspectors will take account of those pupils who started a Key Stage elsewhere or have not completed their current Key Stage. This could include middle schools and newly opened schools, or where pupil mobility is high. For maintained nursery schools with children aged three and four years who move to primary school before any nationally comparable assessments are made, inspectors will evaluate the children's learning and progress relative to their age and draw on evidence of their starting points. When evaluating pupil progress between Key Stages 2 and 4, inspectors will take into account where pupils start part way through a phase or Key Stage (for example if they join a university technical college at age 14).

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. When preparing the annual budget the Trustees consider a three year view to maintain the academy trust as a going concern. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Financial Review

The majority of the academy trust's funding is obtained from the Education and Skills Funding Agency (ESFA) / Department of Education (DfE) in the form of recurrent grants. This funding is recognised as restricted due to its specific purposes. Any ESFA funding received for fixed assets is shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the academy trust's accounting policies.

During the year the academy received income of £2,876,728 (2017: £2,813,719). Total income from restricted activities amounted to £2,751,425 against expenditure, transfers and pension adjustments of £2,599,362 leaving a deficit for the year of £152,063. The school generated £112,635 of unrestricted income through activities such as educational trips and nursery income. Attributable expenditure amounted to £165,542, including transfers, leaving a deficit for the year of £52,907.

In recent years, the school has undergone two staffing restructures. The first, which was implemented in January 2017 sought to eliminate endemic weaknesses in leadership and management. To achieve this aim, it was necessary to protect some salaries for a period of time. The risk to the budget should be reduced over three years from January 2017. The second restructure which was implemented in September 2018, helped to eliminate many of the anomalies that existed previously in the staffing structure and achieved the financial saving necessary to compensate for the cut in SEND funding from the Local Authority, increasing NICs, increasing TP contributions and increasing support staff and teacher salaries. A saving of £250k was made.

Whilst there is a significant deficit on the LGPS, it is recognised that this is not an immediate liability and a planned level of overpayments are being made to address the issue. The Trustees follow the guidance of the Pension Fund Trustees in these matters.

Reserves Policy

The Trustees review the cash reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of cash reserves.

The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £67,837. Additionally within restricted funds the academy holds £116,610 of reserves (including the General Annual Grant) that are considered freely available for general purposes. The Trustees intend that the free reserves will be retained to offset financial uncertainty arising from the current climate of financial austerity.

Investment Policy

Occasional overnight 'Term Deposits' and a fixed term 32 day notice account of £75,000 have been considered by the Finance Committee and agreed with the Board. Both deposit accounts are held by Lloyds Commercial Bank.

Fundraising

During the financial year 2017/18 there has been no Parent Teacher Association and therefore there has not been any formal fundraising undertaken by the Academy. No fundraising work has been undertaken with commercial participators or professional fundraisers. A new PTFA and Parent Forum were formed in October 2018.

A local community group, Dorchester Disabled Club, have undertaken some joint fundraising specifically for the Physically Handicapped base. They have raised a substantial amount for the benefit of the Base. The school have assisted in supporting their efforts by selling cakes and collecting pennies. The Finance Officer has been directed to ensure that the monies received go to the correct cost centre in the budget.

Voluntary contributions are requested from parents to assist in the Art and Technology departments to purchase good quality materials. No child is disadvantaged if payment is not forthcoming. Monies collected go to the appropriate cost centres for these departments to enhance their capitation budgets.

As part of their citizenship education, Year groups generally adopt a charity to fundraise for during the school year; monies collected in are accounted for and despatched to the organisations involved.

The Finance Committee consider the subject of fundraising within their agenda, including the consideration of risk attached.

Pupils have not been asked to fundraise outside of the premises, and members of the public have not been approached directly. Fundraising codes are adhered to. Gift Aid is not collected. There have been no registered complaints about fundraising.

Risk Management

The Trustees use a recommended risk management framework, including a policy and a register, to assess and manage strategic, operational and financial risk. Senior Leadership Team has operational responsibility of the Risk Register. Risk Management is a regular agenda item on all committee and Board of Trustees agendas. Adequate insurance cover has been obtained where appropriate.

Principal Risks and Uncertainties

With 90% of the schools operational income being from the General Annual Grant ("GAG") funded by the ESFA, the greatest risk in the medium to long term is falling student numbers as a significant element of GAG is determined directly by these. However, at present the school is 18 pupils over PAN with a waiting list for Years, 5, 6 and 7.

There is further uncertainty for the forthcoming financial year as to the funding to be received from the LEA towards Special Education Needs ("SEN") and High Needs Funding. These are issues that are outside of the control of the Board of Trustees and Trustees will be monitoring the process regularly.

The Trust is also undergoing a period of uncertainty regarding the health of the Head Teacher. However, the Headteacher is currently in school on a full-time basis and has had no sickness absence since October 2017.

Plans for Future Periods

The future of the Physical Disability Base is uncertain. There are currently 10 spaces, which are funded by the Local Authority. Of the 8 pupils currently on roll, 5 will transition to Upper School at the end of the academic year and 1 will transition to a primary school in his home locality, before the end of the academic year. It is forecast that 2 pupils will remain on roll for September 2019. There are no physically disabled pupils in Y4 within the Dorchester Area School Partnership. The trustees are seeking advice from the Local Authority about sustainability of a specialist resource base given that all schools now need to have an accessibility plan.

The Board will continue to explore the possibilities and benefits of joining multi academy trusts. Any decision will be made after a wide consultation with all shareholders, including parents and guardians.

Funds held as Custodian Trustee on Behalf of Others

The academy trust and its Trustees do not act as the custodian trustee of any other charity.

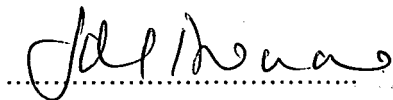
Auditor

Insofar as the trustees are aware:

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

The auditor, Albert Goodman LLP, will be proposed for re-appointment at the Annual General Meeting. SWAP (South West Area Partnership) are undertaking internal audit duties since April 2018.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 27 November '18 and signed on the board's behalf by:



Jan Dunne
Chair of Trustees

Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Dorchester Middle 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 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 Dorchester Middle 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 9 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 Adams	9	9
Mrs P Bailey	7	9
Mrs N Bousfield	5	9
Ms C Dearden	8	9
Mrs J Dunne	9	9
Mrs J Fairless (Appointed: 30/01/2018)	5	6
Ms A Gallaher (Mrs. Hardie)	8	9
Mrs K Gallego (Resigned: 15/11/2017)	0	2
Mrs A Hambledon-White (Resigned: 06/06/2018)	8	9
Mrs A Keogh-Larkin (Resigned: 11/01/2018)	0	3
Mr S Legg (Appointed: 28/11/2017)	6	7
Mr M Reed (Appointed: 03/10/2017)	8	8
Mrs L Upchurch (Appointed: 28/11/2017)	8	8
Mrs A Walters (Resigned: 01/09/2017)	0	0
Mrs S Wood	6	9

A review is carried out annually by the Board of Trustees, when terms of reference, committee structure and membership, link Trustees and Articles of Governance are discussed. There is also an ongoing review of a policies schedule to be agreed.

In 2017/18, the board structure was amended in an effort to be able to appoint new Trustees with the requisite skills.

After identifying gaps, following the skills audit, the Board of Trustees have been successful in finding suitable candidates, having targeted a need for Environment and Health and Safety Skills.

The Finance Committee is a sub-committee of the main Board of Trustees. During the year, the Committee met 5 times. Its purpose is to provide guidance and assistance to the Headteacher and the governing body in all matters relating to budgeting and finance.

In 2017/18 it was particularly concerned with the financial implications of a further proposed restructure, and in 2018/19 will be very much involved with the need to seek future savings within the budget.

Dorchester Middle School
Governance Statement
For the Year Ended 31 August 2018

Attendance at the Dorchester Middle School Finance Committee for year to 31 August 2018 was as follows:

Trustee	Meetings attended	Out of a possible
Mrs P Bailey	5	5
Ms N Bousfield	5	5
Ms C Dearden	4	5
Ms A Gallaher (Mrs. Hardie)	5	5
Mrs K Gallego (Resigned: 15/11/2017)	0	1
Mr M Reed	1	4
Mrs L Upchurch	2	2

Review of Value for Money

As accounting officer the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy 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. The accounting officer for the academy trust has delivered improved value for money during the year by:

- The academy ensures a continual focus on best value for money through the economic, efficient and effective use of resources. Through working with other DASP schools the academy is able to procure goods and services using economies of scale.
- Monthly budget monitoring reports are produced by the Finance Director which results in action being taken to address any significant variances that may have arisen and that are likely to have a negative impact on the budget out-turn.

The Academy ensures that surplus cash balances are invested in interest bearing accounts to maximise interest earning potential

- The academy benchmarks itself against other comparative organisations using information supplied by the ESFA. The trustees are exploring benchmarking against the three Middle Schools within DASP to afford a local context.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 Dorchester Middle School for the year to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The academy 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. In particular it includes:

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

The Board of Trustees has considered the need for a specific internal audit function and South West Audit Partnership (SWAP) carries out this function. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The nature of this function and the duties to be carried out have been discussed and a programme devised.

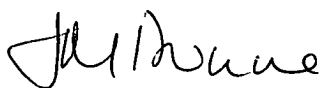
Review of Effectiveness

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

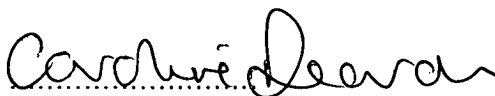
- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the board of trustees and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 27/11/18 and signed on its behalf by:



Jan Dunne
Chair of Trustees



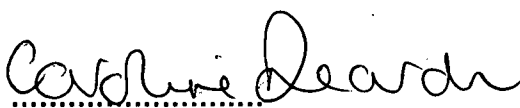
Caroline Dearden
Accounting Officer

Dorchester Middle School
Statement on Regularity, Propriety and Compliance
For the Year Ended 31 August 2018

As accounting officer of Dorchester Middle School I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees 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 2017.

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



Caroline Dearden
Headteacher and Accounting Officer

Date: 27/11/18

Dorchester Middle School
Statement of Trustees' Responsibilities
For the Year Ended 31 August 2018

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

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

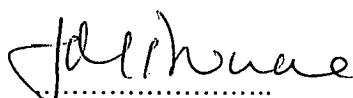
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of trustees on 27/11/18 and signed on its behalf by:



Jan Dunne
Chair of Trustees

Dorchester Middle School

Independent Auditor's Report on the Financial Statements to the Members of Dorchester Middle School

For the Year Ended 31 August 2018

Opinion

We have audited the financial statements of Dorchester Middle School ('the charitable company') for the year ended 31 August 2018 which comprise the Statement of Financial Activities including the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). The financial statements have been prepared under the Academies Accounts Direction 2017 to 2018 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 charitable company's affairs as at 31 August 2018 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

Dorchester Middle School

Independent Auditor's Report on the Financial Statements to the Members of Dorchester Middle School

For the Year Ended 31 August 2018

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 auditor's report thereon. 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 Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities set out on page 15, the trustees (who are also the directors of the charitable company 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Dorchester Middle School

Independent Auditor's Report on the Financial Statements to the Members of Dorchester Middle School

For the Year Ended 31 August 2018

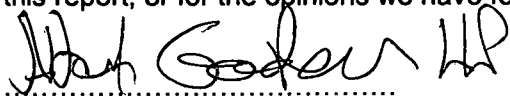
Our responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Joseph Doggrell ACA
Senior Statutory Auditor
for and on behalf of
Albert Goodman LLP
Chartered Accountants
Statutory Auditor

Date: 3/12/2018

Dorchester Middle School

**Independent Reporting Accountant's Assurance Report on Regularity to Dorchester Middle School
and the Education and Skills Funding Agency
For the Year Ended 31 August 2018**

In accordance with the terms of our engagement letter dated 17 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Dorchester Middle School during the year to 31 August 2018 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 Dorchester Middle School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Dorchester Middle School 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 Dorchester Middle School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Dorchester Middle School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Dorchester Middle School's funding agreement with the Secretary of State for Education dated 1 June 2012 and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. 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 to 31 August 2018 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 2017 to 2018 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 trust's income and expenditure.

Dorchester Middle School

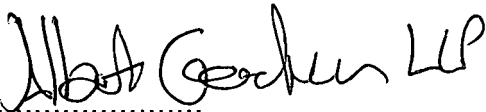
**Independent Reporting Accountant's Assurance Report on Regularity to Dorchester Middle School
and the Education and Skills Funding Agency
For the Year Ended 31 August 2018**

The work undertaken to draw our conclusion includes:

- Reviewing compliance against the requirements of the Academies Financial Handbook (September 2017);
- A review of the governance policies and procedures with specific consideration for financial planning, monitoring and control;
- Gaining assurance that the lines of delegation and the limits set both internally by the academy and by ESFA have been adhered to;
- A review of all meeting minutes of the board of trustees;
- An examination of financial transactions to identify any unusual items which may be improper; and
- A review of the declaration of interests completed by the trustees.

Conclusion

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



Reporting Accountant

Albert Goodman LLP
Chartered Accountants

Mary Street House
Mary Street
Taunton
Somerset
TA1 3NW

Date: 31/12/2018

Dorchester Middle School**Statement of Financial Activities (including Income and Expenditure Account)**
For the Year Ended 31 August 2018

		Unres- tricted	Res- tricted General	Restricted Fixed Asset	2018 Total	2017 Total
	Note	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	2	27,983	-	12,668	40,651	52,870
Charitable activities:						
Funding for the academy trust's educational operations	3	-	2,751,425	-	2,751,425	2,700,560
Other trading activities	4	84,271	-	-	84,271	59,527
Investments	5	381	-	-	381	222
Total		<u>112,635</u>	<u>2,751,425</u>	<u>12,668</u>	<u>2,876,728</u>	<u>2,813,179</u>
Expenditure on:						
Academy trust educational operations	6	129,283	2,878,785	285,804	3,293,872	3,118,843
Total		<u>129,283</u>	<u>2,878,785</u>	<u>285,804</u>	<u>3,293,872</u>	<u>3,118,843</u>
Net income / (expenditure)		(16,648)	(127,360)	(273,136)	(417,144)	(305,664)
Transfers between funds	16	(36,259)	(27,577)	63,836	-	-
Other recognised gains / (losses):						
Actuarial gains / (losses) on defined benefit pension schemes		-	307,000	-	307,000	141,000
Net movement in funds		(52,907)	152,063	(209,300)	(110,144)	(164,664)
Reconciliation of funds						
Total funds brought forward		120,744	(1,602,453)	8,273,898	6,792,189	6,956,853
Total funds carried forward		<u>67,837</u>	<u>(1,450,390)</u>	<u>8,064,598</u>	<u>6,682,045</u>	<u>6,792,189</u>

All of the academy's activities derive from continuing operations during the above two financial periods.

The Statement of Financial Activities for the prior year is shown in Note 26.

Dorchester Middle School - Company Registration Number: 08059041**Balance Sheet**

For the Year Ended 31 August 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	11		8,095,337		8,340,894
Current assets					
Debtors	12	43,612		75,648	
Cash at bank and in hand	22	248,893		251,831	
		<u>292,504</u>		<u>327,479</u>	
Liabilities					
Creditors: Amounts falling due within one year	13	(138,796)		(135,386)	
Net current assets			153,708		192,093
Total assets less current liabilities			<u>8,249,045</u>		<u>8,532,987</u>
Creditors: Amounts falling due after more than one year	14		-		(29,798)
Net assets excluding pension liability			<u>8,249,045</u>		<u>8,503,189</u>
Defined benefit pension scheme liability	24		(1,567,000)		(1,711,000)
Total assets			<u><u>6,682,045</u></u>		<u><u>6,792,189</u></u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	16	8,064,598		8,273,898	
Restricted income fund	16	116,610		108,547	
Pension reserve	16	(1,567,000)		(1,711,000)	
Total restricted funds			<u>6,614,208</u>		<u>6,671,445</u>
Unrestricted income funds	16		67,837		120,744
Total funds			<u><u>6,682,045</u></u>		<u><u>6,792,189</u></u>

The financial statements on pages 21 to 41 were approved by the trustees, and authorised for issue on 27/11/18 and are signed on their behalf by:



Jan Dunne
Chair of Trustees

Dorchester Middle School
Statement of Cash Flows
For the Year Ended 31 August 2018

	Notes	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	19	61,460	57,189
Cash flows from investing activities	21	(27,198)	(2,289)
Cash flows from financing activities	20	(37,200)	(37,200)
Change in cash and cash equivalents in the reporting period		<u>(2,938)</u>	<u>17,700</u>
Cash and cash equivalents at 1 September 2017		251,831	234,131
Cash and cash equivalents at 31 August 2018	22	<u>248,893</u>	<u>251,831</u>

1 Statement of Accounting Policies

1.1 Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company 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 trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

All incoming resources are recognised when the academy trust 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 period 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.

- **Sponsorship Income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

- **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 period it is receivable and to the extent the academy trust has provided the goods or services.

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

1.4 **Expenditure**

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

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 **Tangible fixed assets**

Assets costing £750 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 over its expected useful life, as follows:

Long-term leasehold property	Straight line basis over 125 years
Fixtures and fittings	25% on reducing balance
Computer equipment	33% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.6 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 trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.7 Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.8 Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

1.9 Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis 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 12. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

1.10 Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

1.11 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.12 Pensions Benefits

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

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

1.14 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

1.15 Critical accounting estimates and areas of judgement

Estimates and judgements 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in , 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 2018. 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.

2 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	2018 Total £	2017 Total £
Devolved Formula Capital Grant	-	12,668	12,668	12,567
Other donations	27,983	-	27,983	40,303
	<u>27,983</u>	<u>12,668</u>	<u>40,651</u>	<u>52,870</u>

3 Funding for the academy trust's educational operations

	Unrestricted Funds £	Restricted Funds £	2018 Total £	2017 Total £
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,516,144	2,516,144	2,486,506
Other DfE/ESFA grants	-	174,535	174,535	178,875
	<u>-</u>	<u>2,690,679</u>	<u>2,690,679</u>	<u>2,665,381</u>
Other Government grants				
Other Government grants	-	60,746	60,746	35,179
	<u>-</u>	<u>60,746</u>	<u>60,746</u>	<u>35,179</u>
	<u>-</u>	<u>2,751,425</u>	<u>2,751,425</u>	<u>2,700,560</u>

4 Other Trading activities

	Unrestricted Funds £	Restricted Funds £	2018 Total £	2017 Total £
Hire of facilities	12,298	-	12,298	10,362
Catering income	2,331	-	2,331	3,694
Trip income	42,632	-	42,632	40,046
Music Income	554	-	554	1,051
Other income	26,456	-	26,456	4,374
	<u>84,271</u>	<u>-</u>	<u>84,271</u>	<u>59,527</u>

5 Investment income

	Unrestricted Funds £	Restricted Funds £	2018 Total £	2017 Total £
Short term deposits	381	-	381	222
	<u>381</u>	<u>-</u>	<u>381</u>	<u>222</u>

Dorchester Middle School
Notes to the Financial Statements
For the Year Ended 31 August 2018

6 Expenditure

	Staff Costs £	Premises £	Other £	Total 2018 £	Total 2017 £
Academy's educational operations:					
Direct costs	2,221,556	-	189,464	2,411,020	2,268,525
Allocated support costs	360,254	396,952	125,646	882,852	850,318
	<u>2,581,810</u>	<u>396,952</u>	<u>315,110</u>	<u>3,293,872</u>	<u>3,118,843</u>

Net income/(expenditure) for the year includes:

	2018 £	2017 £
Depreciation	285,804	278,838
Fees payable to auditor for:		
- audit	6,150	5,950
- other services	2,000	2,000

7 Charitable activities

	2018 £	2017 £
Direct costs - educational operations		
Teaching and educational support staff	2,221,556	2,066,449
Educational supplies	101,763	94,464
Other direct costs	84,001	104,674
Staff development	3,700	2,938
	<u>2,411,020</u>	<u>2,268,525</u>
Support costs - educational operations		
Support staff costs	360,254	266,198
Depreciation	23,600	16,634
Technology costs	11,709	16,125
Premises costs	396,952	432,173
Other support costs	78,037	107,048
Governance costs	12,300	12,140
	<u>882,852</u>	<u>850,318</u>
	<u>3,293,872</u>	<u>3,118,843</u>

8 Staff

a. Staff costs

	2018	2017
	Total	Total
	£	£
Wages and salaries	1,844,688	1,696,670
Social security costs	168,967	153,133
Pension Costs	467,239	410,375
	<u>2,480,894</u>	<u>2,260,178</u>
Supply staff and agency costs	83,554	72,469
Staff restructuring costs	17,362	-
	<u>2,581,810</u>	<u>2,332,647</u>
Staff restructuring costs comprise:		
Redundancy payments	10,362	-
Other restructuring costs	7,000	-
	<u>17,362</u>	<u>-</u>

b. Staff numbers

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

	2018	2017
	No.	No.
Teachers	35	30
Administration and support	40	44
Management	4	4
	<u>79</u>	<u>78</u>

c. Higher paid staff

	2018	2017
	No.	No.
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
	<u>1</u>	<u>-</u>

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension and employer national insurance contributions) paid by the academy for key management personnel services to the academy trust was £275,950 (2017: £213,753).

9 Related party transactions – trustees' remuneration and expenses

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

C Dearden, (headteacher and trustee)	
Remuneration	£70,000 - £75,000 (2017: £50,000 - £55,000)
Employer's pension contributions	£10,000 - £15,000 (2017: £5,000 - £10,000)
C Pluck, Staff trustee	
	(Resigned: 30 October 2017)
Remuneration	£10,000 - £15,000 (2017: £15,000 - £20,000)
Employer's pension contributions	£Nil - £5,000 (2017: £Nil - £5,000)
S Wood, Staff trustee	
Remuneration	£20,000 - £25,000 (2017: £5,000 - £10,000)
Employer's pension contributions	£Nil - £5,000 (2017: £Nil - £5,000)

During the year ended 31 August 2018, no expenses were reimbursed to trustees (2017: £nil).

10 Trustees' and officers' insurance

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

11 Tangible fixed assets

	Long-term Leasehold Property £	Fixtures and Fittings £	Computer Equipment £	Total £
Cost				
At 1 September 2017	9,283,890	103,103	232,913	9,619,906
Additions	-	3,215	37,032	40,247
At 31 August 2018	<u>9,283,890</u>	<u>106,318</u>	<u>269,945</u>	<u>9,660,153</u>
Depreciation				
At 1 September 2017	983,134	71,351	224,527	1,279,012
Charged in year	262,204	8,742	14,858	285,804
At 31 August 2018	<u>1,245,338</u>	<u>80,093</u>	<u>239,385</u>	<u>1,564,816</u>
Net book values				
At 31 August 2017	<u>8,300,756</u>	<u>31,752</u>	<u>8,386</u>	<u>8,340,894</u>
At 31 August 2018	<u>8,038,552</u>	<u>26,225</u>	<u>30,560</u>	<u>8,095,337</u>

12 Debtors

	2018	2017
	£	£
Trade debtors	4,168	891
VAT recoverable	2,153	21,592
Other Debtors	104	104
Prepayments and accrued income	37,187	53,061
	<u>43,612</u>	<u>75,648</u>

13 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	18,183	9,948
Other taxation and social security	41,700	40,424
Other loans	30,739	37,200
Other creditors	37,286	37,348
Accruals and deferred income	10,888	10,466
	<u>138,796</u>	<u>135,386</u>

14 Creditors: amounts falling due in greater than one year

	2018	2017
	£	£
Loans	-	29,798

15 Loans

	2018	2017
	£	£
Amounts falling due within one year on demand:		
Other Loans	30,739	37,200
Amounts falling between one and two years:		
Other loans 1-2 years	-	29,798
	<u>30,739</u>	<u>66,998</u>

Included within other loans is a loan of £30,739 from Dorset County Council which was provided on the following terms; interest-free until July 2015 then interest-free unless the Bank of England base rate rises above 2 per cent, when interest payable will be 0.25 per cent above the Bank of England base rate per annum, until the loan is repaid in full in June 2019

16 Funds

	Balance At 1 September 2017 £	Income £	Expenditure £	Gains, Losses and Transfers £	Balance At 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	108,547	2,516,144	(2,480,504)	(27,577)	116,610
Other DfE/ESFA grants	-	174,535	(174,535)	-	-
Other local authority grants	-	60,746	(60,746)	-	-
Pension reserve	(1,711,000)	-	(163,000)	307,000	(1,567,000)
	<u>(1,602,453)</u>	<u>2,751,425</u>	<u>(2,878,785)</u>	<u>279,423</u>	<u>(1,450,390)</u>
Restricted fixed asset funds					
Inherited fixed assets	8,247,331	-	(270,142)	36,259	8,013,448
Capital expenditure from other restricted funds	26,567	12,668	(15,662)	27,577	51,150
	<u>8,273,898</u>	<u>12,668</u>	<u>(285,804)</u>	<u>63,836</u>	<u>8,064,598</u>
Total restricted funds	<u>6,671,445</u>	<u>2,764,093</u>	<u>(3,164,589)</u>	<u>343,259</u>	<u>6,614,208</u>
Unrestricted funds					
General	120,744	112,635	(129,283)	(36,259)	67,837
Total unrestricted funds	<u>120,744</u>	<u>112,635</u>	<u>(129,283)</u>	<u>(36,259)</u>	<u>67,837</u>
Total funds	<u>6,792,189</u>	<u>2,876,728</u>	<u>(3,293,872)</u>	<u>307,000</u>	<u>6,682,045</u>

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

	Balance At 1 September 2016 £	Income £	Expenditure £	Gains, Losses and Transfers £	Balance At 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	66,400	2,486,506	(2,444,359)	-	108,547
Other DfE/ESFA grants	-	178,875	(178,875)	-	-
Other local authority grants	-	35,179	(35,179)	-	-
Pension reserve	(1,719,000)	-	(133,000)	141,000	(1,711,000)
	<u>(1,652,600)</u>	<u>2,700,560</u>	<u>(2,791,413)</u>	<u>141,000</u>	<u>(1,602,453)</u>
Restricted fixed asset funds					
Inherited fixed assets	8,478,448	-	(266,727)	35,610	8,247,331
Capital expenditure from other restricted funds	23,599	12,567	(12,111)	2,512	26,567
	<u>8,502,047</u>	<u>12,567</u>	<u>(278,838)</u>	<u>38,122</u>	<u>8,273,898</u>
Total restricted funds	<u>6,849,447</u>	<u>2,713,127</u>	<u>(3,070,251)</u>	<u>179,122</u>	<u>6,671,445</u>
Unrestricted funds					
General	107,406	100,052	(48,592)	(38,122)	120,744
Capital expenditure	-	-	-	-	-
Total unrestricted funds	<u>107,406</u>	<u>100,052</u>	<u>(48,592)</u>	<u>(38,122)</u>	<u>120,744</u>
Total funds	<u>6,956,853</u>	<u>2,813,179</u>	<u>(3,118,843)</u>	<u>141,000</u>	<u>6,792,189</u>

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

General Annual Grant (GAG) – Funding from the Education and Skills Funding Agency to support the education and running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Other DfE/ESFA grants – Grants from the Education and Skills Funding Agency to support PE activities and pupils from low income families and provide universal infant free school meals.

Other local authority grants – Funding from Dorset County Council for children that have a specific requirement for additional support.

Pension Reserve – This fund represents the pension deficit for the Local Government Pension Scheme and its associated costs for the period.

Inherited Fixed Assets – This fund is to recognise the value of the donated fixed assets at the conversion of the school to an Academy. The expenditure is the depreciation on those assets.

Capital expenditure from other restricted funds – This is funding received for fixed asset expenditure.

17 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	8,095,337	8,095,337
Current assets	67,837	224,667	-	292,503
Current liabilities	-	(108,057)	(30,739)	(138,796)
Pension scheme liability	-	(1,567,000)	-	(1,567,000)
Total net assets	67,837	(1,450,390)	8,064,598	6,682,044

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

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	8,340,894	8,340,894
Current assets	120,744	206,735	-	327,479
Current liabilities	-	(98,188)	(37,198)	(135,386)
Non-current liabilities	-	-	(29,798)	(29,798)
Pension scheme liability	-	(1,711,000)	-	(1,711,000)
Total net assets	120,744	(1,602,453)	8,273,898	6,792,189

18 Commitments under operating leases

Operating leases

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£	£
Amounts due within one year	6,464	29,099
Amounts due between one and five years	14,007	20,471
Amounts due after five years	-	-
	20,471	49,570

19 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2018	2017
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(417,144)	(305,664)
Adjusted for:		
Depreciation charges (note 11)	285,804	278,838
Capital grants from DfE/ESFA	(12,668)	(12,567)
Interest receivable (note 5)	(381)	(222)
Discounting on interest free loan	941	1,590
Defined benefit pension scheme costs	163,000	133,000
(Increase)/decrease in debtors	32,036	(14,787)
Increase/(decrease) in creditors	9,871	(22,999)
Net cash provided by/(used in) operating activities	<u>61,460</u>	<u>57,189</u>

20 Cash flows from financing activities

	2018	2017
	£	£
Loan repayments in year	(37,200)	(37,200)
Net cash provided by / (used in) financing activities	<u>(37,200)</u>	<u>(37,200)</u>

21 Cash flows from investing activities

	2018	2017
	£	£
Purchase of tangible fixed assets	(40,247)	(15,078)
Capital grants from DfE/ESFA	12,668	12,567
Interest received	381	222
Net cash provided by / (used in) investing activities	<u>(27,198)</u>	<u>(2,289)</u>

22 Analysis of cash and cash equivalents

	2018	2017
	£	£
Cash in hand and at bank	248,893	251,831
Total cash and cash equivalents	<u>248,893</u>	<u>251,831</u>

23 Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while 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 cease to be a member.

24 Pension and similar obligations

The academy trust'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 Somerset County Council. Both are multi-employer defined benefit schemes

The latest actuarial valuation of the TPS related to the year ended 31 March 2012 and of the LGPS 31 March 2013. Contributions amounting to £37,684 were payable to the schemes at 31 August 2018 (2017: £37,084) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data whereupon the employer contribution rate is expected to be reassessed. The most recent communication received from the Department for Education suggested the new contribution rate is expected to be 23.6% payable from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £220,000 (2017: £198,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust 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 2018 was £110,000 (2017: £105,000), of which employer's contributions totalled £84,000 (2017: £80,000) and employees' contributions totalled £26,000 (2017: £25,000). The agreed contribution rates for future years are 18.8 per cent for employers and 6.5 per cent for employees.

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

	2018	2017
Rate of increase in salaries	3.80%	4.20%
Rate of increase for pensions in payment/inflation	2.30%	2.70%
Discount rate for scheme liabilities	2.65%	2.60%
Inflation assumption (CPI)	2.30%	2.70%
Commutation of pensions to lump sums	50.00%	50.00%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectation on retirement age 65 are:

	2018	2017
<i>Retiring today</i>		
Males	24.0	23.9
Females	26.1	26.0
<i>Retiring in 20 years</i>		
Males	26.3	26.2
Females	28.5	28.3

Sensitivity analysis

	2018	2017
	£	£
Discount rate +0.1%	2,762,000	2,789,000
Discount rate -0.1%	2,898,000	2,926,000
Mortality assumption - 1 year increase	2,925,000	2,953,000
Mortality assumption - 1 year decrease	2,737,000	2,764,000

Dorchester Middle School
Notes to the Financial Statements
For the Year Ended 31 August 2018

The academy trust's share of the assets in the scheme were:

	2018 £	2017 £
Equities	689,000	632,000
Corporate bonds	87,000	130,000
Property	128,000	101,000
Diversified growth fund	76,000	50,000
Gilts	158,000	153,000
Cash	12,000	30,000
Infrastructure	54,000	50,000
Other	58,000	-
Total market value of assets	<u>1,262,000</u>	<u>1,146,000</u>

The actual return on scheme assets was £27,000 gain (2017: £ 147,000).

Amounts recognised in the Statement of Financial Activities

	2018 £	2017 £
Current service cost	(203,000)	(175,000)
Interest cost	(43,000)	(37,000)
Admin expenses	(1,000)	(1,000)
Total amount recognised in the SOFA	<u>(247,000)</u>	<u>(213,000)</u>

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

	2018 £	2017 £
At 1 September	2,857,000	2,727,000
Current service cost	203,000	175,000
Interest cost	74,000	60,000
Change in financial assumptions	(311,000)	(53,000)
Change in demographic assumptions	-	78,000
Experience loss/(gain) on defined benefit obligation	-	(114,000)
Contributions by Scheme participants and other employers	26,000	25,000
Benefits paid	(20,000)	(41,000)
At 31 August	<u>2,829,000</u>	<u>2,857,000</u>

Changes in the fair value of academy trust's share of scheme assets:

	2018	2017
	£	£
At 1 September	1,146,000	1,008,000
Interest income	31,000	23,000
Return on net assets less interest	(4,000)	124,000
Other actuarial gains/(losses)	-	(72,000)
Administration expenses	(1,000)	(1,000)
Contributions by employer including unfunded	84,000	80,000
Contributions by Scheme participants and other employers	26,000	25,000
Benefits paid	(20,000)	(41,000)
At 31 August	<u>1,262,000</u>	<u>1,146,000</u>

25 Related Party Transactions

Owing to the nature of the academy trust 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 AFH and with the academy trust's financial regulations and normal procurement procedures.

No related party transactions took place in the year of account, other than certain Trustees' remuneration and expenses already disclosed in note 9.

26 Prior year Statement of Financial Activities

	Note	Unres- tricted £	Restricted General £	Restricted Fixed Asset £	2017 Total £
Income and endowments from:					
Donations and capital grants		40,303	-	12,567	52,870
Charitable activities:					
Funding for the academy trust's educational operations		-	2,700,560	-	2,700,560
Other trading activities		59,527	-	-	59,527
Investments		222	-	-	222
Total		<u>100,052</u>	<u>2,700,560</u>	<u>12,567</u>	<u>2,813,179</u>
Expenditure on:					
Academy trust educational operations		48,592	2,791,413	278,838	3,118,843
Total		<u>48,592</u>	<u>2,791,413</u>	<u>278,838</u>	<u>3,118,843</u>
Net income / (expenditure)		51,460	(90,853)	(266,271)	(305,664)
Transfers between funds		(38,122)	-	38,122	-
Other recognised gains / (losses):					
Actuarial (losses) / gains on defined benefit pension schemes		-	141,000	-	141,000
Net movement in funds		13,338	50,147	(228,149)	(164,664)
Reconciliation of funds					
Total funds brought forward		107,406	(1,652,600)	8,502,047	6,956,853
Total funds carried forward		<u>120,744</u>	<u>(1,602,453)</u>	<u>8,273,898</u>	<u>6,792,189</u>