

Registration number: 08382383

The Delta Education Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2023

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THE DELTA EDUCATION TRUST
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THE DELTA EDUCATION TRUST
REFERENCE AND ADMINISTRATIVE DETAILS

Members	A Middle I Carter N Soloman J Perry
Trustees (Directors)	A Baker, (Chair of Trustees) A Middle L Symonds S Watkins (re-appointed 1 January 2023) M D Bickford A Clough G Wherity A Gladwell (appointed 1 September 2023)
Chief Executive Officer	J White
Company Secretary	F Penn-Barwell
Senior Management Team	J White, CEO & Accounting Officer C Moody, Chief Financial Officer F Penn-Barwell, Director of School Improvement R Arnold, Headteacher, The Quay School M McLoughlin-Parker, Headteacher, The Harbour School (until 31 August 2023) N Morley, Headteacher, The Harbour School (from 1 September 2023) D Butt, Headteacher, Harbour School Dorset N Tarchetti, Headteacher, Winton Primary School S Rogers, Headteacher, The Wymering School (from April 2023)
Principal and Registered Office	160 Herbert Avenue Parkstone Poole Dorset BH12 4HU
Company Registration Number	08382383
Auditors	Albert Goodman LLP Goodwood House Blackbrook Park Avenue Taunton TA1 2PX
Bankers	Lloyds Bank plc 101 High Street Poole Dorset BH15 1AJ

THE DELTA EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)

Solicitors	Eversheds Sutherland Legal Services Ltd 115 Colmore Row Birmingham B3 3AL
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THE DELTA EDUCATION TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees (who are also directors of the charity for purposes of the Companies Act) present their annual report together with the financial statements and auditor's report of The Delta Education Trust (The Trust) for the year ended 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, governance and management

Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. The Trust was incorporated on 30th January 2013 as The Quay School Academy Trust and during the 2013/14 Academic school year converted to Multi-Academy status and changed its name to The Delta Education Trust on the 3rd of July 2014. The Trust is governed according to its Articles of Association, its Governance Scheme of Delegation and its Master Funding Agreement, along with Supplemental Funding Agreements for individual schools.

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

Since the incorporation of the charitable company on 30th January 2013 the Trustees (Directors) have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. The limit of this indemnity is £10m.

Method of recruitment and appointment or election of Trustees

Trustees are appointed for a four-year period. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

When appointing new Trustees, the Board will take into consideration, the existing skills and experience of the current Trust board to ensure that the Board contains the necessary skills to contribute to the Trust's development.

THE DELTA EDUCATION TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

Policies and procedures adopted for the induction and training of Trustees

A comprehensive induction and training package is made available to all new Trustees as part of the appointment process. This covers:

- The ethos of the Trust
- Trust governance and management structure
- The role of Trustees, including their responsibilities as directors and as charitable trustees
- Our Trustees' Code of Conduct
- Administrative steps necessary on appointment
- Education terms and the need to avoid jargon
- Policy approval objectives, processes and requirements placed on Trustees
- Meeting schedules, attendance policy and practice
- Expenses
- Communications guidance
- School visit arrangement, conduct and records
- Access to all policies, procedures, minutes, accounts, budgets, plans and any other necessary documents that they will need to undertake their role as a Trustee
- Training in the use of the IT system used for Trust governance
- Further Trustee training provision
- Links to DfE, ESFA and RSC guidance documents

The CEO meets with new Trustees to discuss the strategic direction of the organisation and explains the scheme of delegation. It is an expectation that all new Trustees understand and adhere to the seven principles of public life and that they complete a Skills Matrix questionnaire.

Organisational structure

The Trust is governed by a board of Trustees who also act as the directors of the charitable company for the purposes of company law. Individual schools in the Trust are governed by Local Governing Bodies (LGB), which are sub-committees of the Trust board and act according to the governance scheme of delegation. LGB members are not directors or trustees.

The Trust Leadership Team consists of the Chief Executive Officer (CEO & Accounting Officer), the Chief Financial Officer (CFO), and the Director of School Improvement (DSI). The Senior Leadership Team in each school consists of the Headteachers, Deputy Headteachers, Assistant Headteachers and the School Business Managers. The Senior Leadership Team control the Academies at an executive level implementing the policies laid down by the Trustees and by Local Governing bodies and reporting back to them. They are also responsible for the authorisation of spending, within agreed limits.

THE DELTA EDUCATION TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

Arrangements for setting pay and remuneration of key management personnel

The Trust accepts its responsibility in assigning and setting pay for its key management staff which would include the Chief Executive Officer, Chief Financial Officer and Director of School Standards and Improvement. The same applies to setting pay for Headteachers, Deputy Headteacher and Assistant head posts using the trusts' approved pay policy.

The process for setting the remuneration of key management personnel was revised in 2020. Based on extensive research and benchmarking using multiple sources of data, a factor-based salary model was introduced. Using the Living Wage Foundation's National Living Wage as its base, this model applies a factor accounting for complexity, challenge, responsibility, and market forces (the 'market factor'). It then applies a factor allowing ratio-based differentiation between posts within the executive leadership team (the 'post factor') and then a factor accounting for the size of the Trust, performance, and longevity (the 'point factor'). The annual salary is then ascertained by multiplying from the National Living Wage hourly figure to an annual salary. Extensive modelling and benchmarking ensures that the result is modest incremental rises as the responsibility and complexity of posts grow along with Trust growth, reducing post and whole-team costs as a percentage of Trust income with growth, and salaries which are competitive with other Trusts in the median range with no trend towards excessive salaries.

Trade union facility time

Trade Union Facility Time

Relevant union officials:

<i>Number of employees who were relevant union officials during the relevant period</i>	<i>Full-time equivalent employee number</i>
4	3.38

Percentage of time spent on facility time:

<i>Percentage of time</i>	<i>Number of employees</i>
0%	2
1-50%	2
51-99%	-
100%	-

Percentage of pay bill spent on facility time:

Total cost of facility time	£92
Total pay bill	£12.4m
Percentage of the total pay bill spent on facility time	0%

Paid trade union activities:

Time spent on paid trade union activities as a percentage of total paid facility time	100%
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THE DELTA EDUCATION TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

Connected organisations, including related party relationships

The trust has not entered into any transactions with related parties or connected organisations in the year.

Engagement with employees (including disabled persons)

During the year, the policy of providing employees with information about the Trust has been via internal media methods and through regular meetings with school leaders, facilitating information exchange and fostering employee engagement.

The Trust pursues an employment policy of equal opportunity and strives to follow best practice in recruitment and selection. It does not discriminate on the grounds of race, nationality, sex, marital status, disability, or religious or political beliefs.

The Trust gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing employees become disabled, it is the Trust's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Objectives and activities

Objects and aims

The Trust's principal activity is to provide, for the public benefit, education for children and young people. It carries out this activity by creating a cooperative partnership of schools with the aim of meeting the needs of all pupils, at every stage of their educational journey. The central services of the Trust, including the CEO, CFO and the trustees, are there to enable the Trust's schools to carry out their work effectively, and to shape and lead the strategic direction.

Objectives, strategies and activities

The ethos of the Trust is encompassed in our vision statement – "learning together in the pursuit of happiness". To ensure this is translated into actions and is able to be understood by everyone, we have a list of principals which we use to guide us, including how we make our decisions.

- All decisions are made in the best interests of staff, pupils and families.
- High support, high challenge and evidence informed in everything we do.
- We work collaboratively and make team, not individual, decisions.
- We acknowledge our mistakes and use them to learn and improve
- We are always open to learning and seeking new ideas.

Public benefit

The Trustees have considered the Charity Commission's guidance on Public Benefit in exercising their powers and duties. The key public benefit delivered by The Delta Education Trust is the maintenance and development of the high-quality education provided by the Trust's schools.

THE DELTA EDUCATION TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

Strategic Report

Achievements and performance

The Trust ensures robust monitoring systems are in place overseen by the Director of School Improvement. As a result, standards across all schools are tracked closely ensuring that carefully implemented interventions are in place to maximise their impact.

Securing outcomes for pupils which provide sustainable future opportunities has remained a focus for all schools. They have ensured that the progress made by learners has resulted in appropriate accreditation, securing these destinations.

All schools in The Delta Education Trust have continued to manage the recovery process from the challenges caused as a result of the Covid-19 pandemic.

The following table highlights notable performance indicators from across the Trust's schools.

Key Performance Indicators – Education

	The Quay School	Harbour School Dorset	The Harbour School	Winton Primary	The Wymering School
Proportion of pupils making at least expected progress (literacy/English)	79%	84%	54%	91%	80%
Proportion of pupils making at least expected progress (numeracy/maths)	78%	88%	53%	90%	65%
Proportion of pupils making at least expected progress across the wider curriculum.	77%	84%	52%	91%	80%
Proportion of pupils who are making progress with personal wellbeing, resilience, and emotional health.	88%	86%	43%	99%	70%
Proportion of pupils securing education, employment, or training after leaving.	95%	88%	88%	100%	n/a
Attendance*	51%	69%	61%	94%	75%
Sessions missed due to suspensions	62	162	205	21	0
Permanent Exclusion	0	0	0	0	0

* Due to the changing cohort, AP/special school attendance is not comparable to mainstream schools. Over 90% of pupils in all trust schools improved their attendance compared to their previous placement.

The Trust aims for positive Ofsted inspection judgements, with all schools on track to be judged 'good' or better. Since the date of the last report, two of the Trust's schools have been subject to section 5 inspections. Following the visit in December 2022, The Harbour School was judged as 'inadequate'. Subsequently, the school and trust have worked to make the necessary improvements. This was recognised during the Monitoring visit in September 2023, which stated 'Leaders have made progress to improve the school'. In October 2023 the Harbour School Dorset was judged as 'Good'.

THE DELTA EDUCATION TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

Key Performance Indicators – Financial

	The Quay School	Harbour School Dorset	The Harbour School	Winton Primary	Wymering School
Type of provision	AP	Special Educational Need (SEN)	AP & SEN	Primary	Special Educational Need (SEN)
Total expenditure as a percentage of total income	98%	94%	101%	98%	90%
Total staff pay as a percentage of total income	79%	70%	78%	77%	60%
Staff pay as a percentage of total expenditure	81%	74%	77%	79%	66%
Teaching staff as a percentage of total expenditure	53%	42%	41%	51%	38%
Learning support staff as a percentage of total expenditure	13%	15%	19%	15%	14%

The Trust continues to work strategically on expansion, opening the Wymering School in Portsmouth in April 2023, expanding pupil numbers at Harbour School Dorset during the year. The Trust's free school in the Weymouth area is scheduled for opening September 2025.

South Central Teaching School Hub

The teaching school hub delivers the Early Career Framework (ECF), the full range of National Professional Qualifications (NPQs), and a range of additional Continuing Professional Development (CPD). The Hub exceeded all its 2022/23 delivery targets.

Going concern

The Board of Trustees is confident that the Trust has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of these financial statements.

The Trust has made all repayments on the loan from the ESFA as they fell due in the year to 31 August 2023, and the loan is now fully repaid (2022: £130k).

Financial review

Income from General Annual Grant (GAG) represents only 48% (2022: 49%) of total income, due to the Trust having the majority of income arising from schools providing special education services. The income to fund this provision is typically less stable than GAG funding and, together with the associated costs, is more closely monitored and managed by the trust.

THE DELTA EDUCATION TRUST**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)**

The income fund movements of the trust as detailed in note 14 are summarised below:

Reconciliation of income fund movements

£'000	Restricted	Unrestricted	Total
Income	17,542	549	18,091
Expenditure	17,044	548	17,592
Transfers	185	61	246
Net incoming resources	313	(60)	253
 Brought forward funds	 51	 1,087	 1,138
Carried forward	364	1,027	1,391
 <i>As a percentage of income</i>			 7.7%

Financial and risk management objectives and policies

Risk management involves the identification, measurement, monitoring and reporting of threats to an organisation's objectives. Such threats can arise from a wide variety of sources such as litigation relating to safeguarding failures, financial uncertainty from a falling roll, security risk from inappropriate access to data, property risk from fire or flood, accidents resulting in injury, natural disasters, or a global pandemic.

Effectively managing risk informs business decisions, enables a more effective use of resources, enhances strategic and business planning and strengthens contingency planning.

Although ultimate responsibility for risk management, including the oversight of the risk register, lies with the Trust Board, the board has appointed a Finance, Resources and Compliance committee in accordance with the Academy Trust Handbook (part 3) to:

- direct the Trust's programme of internal scrutiny
- ensure that risks are being addressed appropriately through internal scrutiny
- report to the board on the adequacy of the trust's internal control framework, including financial and non-financial controls and management of risks.

At the identification stage, all potential events that could adversely influence the achievement of Trust objectives (including not capitalising on opportunities) are identified, defined, and categorised. Each risk is assessed, to better understand each specific instance and how it could affect the Trust's objectives.

At DET, a traffic light system (RAG rating) has been used to show an intuitive representation of the ranking of risks. As this is an educational organisation, (with multiple stakeholders, variables, and influences) it is not appropriate to use an entirely score-based or data driven calculation to show each risk. This is widely accepted by auditors and the ESFA.

Once risks have been assessed, the committee ensures there are appropriate plans to manage them. These plans include preventative controls, mitigation processes and contingency plans in the event that risks materialise.

THE DELTA EDUCATION TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

Reserves policy

The Trust is responsible for managing the level of financial reserves to be carried forward at the end of its financial year. It is commonly recognised as good practice to maintain income fund reserves of between 3% and 8% of the gross income of the Trust. Lower than 3% increases the risk of running a deficit budget and more than 8% means income is not being spent on the 'pupils of today'.

Reserves are used for unforeseen changes in expenditure or income, such as:

- unfunded pay awards
- an unforeseen emergency or other unexpected need for funds
- covering unforeseen day to day operational costs, e.g. employing temporary staff to cover a long-term absence
- a failure in a source of income, e.g. a grant not being renewed
- the need to fund short term deficits in a cash budget, e.g. money may need to be spent before a funding grant is received.

To maintain overall Trust reserves, the Trust requires each academy to maintain reserves within the same range, i.e. 3-8% of gross income. This is one of the principals adhered to when budgets are set and performance against these are monitored throughout the year.

Investment policy

Apart from the cash held for operations, The Delta Education Trust has no realisable investments.

Principal risks and uncertainties

The following table details the principal risks to the Trust:

THE DELTA EDUCATION TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

Risk	Consequence/Impact	Mitigation
Local Authorities do not increase high needs funding.	Trust school's future years' income is restricted. Cost savings must be implemented, reducing the quality of education for pupils, resulting in poorer outcomes.	Building and maintaining effective working relationships with Local Authorities Delivering good outcomes for pupils Closely monitoring financial performance and projections
Failure to grow the Trust in line with the strategic plan.	Pressure from DfE/RSC/ESFA to merge with another Trust and potentially lose Delta ethos and values.	Dedicated trustee committee formed responsible for trust development. Talking to other trusts to identify those with comparable values. Regular discussions with RDD.
Trust/Schools could be the victim of a 'cyber-security' attack or digital fraud.	Risk of corruption or loss of data effecting education and business operations Risk of financial loss Reputational risk	Staff and governor awareness training Segregated backups for all systems Cyber response plan in place for all schools, bringing RPA protection.
Failure to recruit or retain staff.	Trust can't recruit to vacancies. Capacity is compromised. Wellbeing of existing staff is affected. Cost of 'covering' vacancies increases. Cost of recruitment increases.	Actively working to remain the 'employer of choice'. Ensuring our recruitment/HR systems are fully utilised. Using external recruitment expertise Innovating recruitment and retention practices
Trust schools are judged less than 'good' by Ofsted	Damage to trust's reputation RDD may 'force' re-brokering	Regular 'health checks' on schools Regular visits to schools HT line management based around SDPs

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees. No complaints were received in the year relating to fundraising.

THE DELTA EDUCATION TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

Streamlined Energy and Carbon Reporting

Streamlined Energy and Carbon Reporting

	22/23	21/22
Energy consumption used to calculate emissions(kWh)	1,873,144	1,690,640
Scope 1 emissions in metric tonnes CO ₂ e		
Gas consumption	218.67	208.89
Owned transport - minibuses	21.38	21.37
Total Scope 1	240.05	230.26
Scope 2 - purchased electricity	117.70	87.46
Scope 3 - Business travel in employee-owned vehicles	30.56	25.93
Total	357.75	317.72
Intensity Metric		
tCO ₂ e per pupil	0.28	0.27

Quantification and Reporting Methodology:

The Trust has followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2023 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

The Trust is committed to reducing long term emissions, for both environmental and financial benefits. Premises strategy is to include planned work with measures to that aim. The Trust's installation of energy efficient windows, doors and where possible, solar panels will have a positive impact in reducing emissions.

Plans for future periods

Over the next 3-5 years the Trust will continue to grow to become a MAT of 10-15 mainstream, special and alternative provision academies.

Funds held as Custodian Trustee on behalf of others

None

THE DELTA EDUCATION TRUST

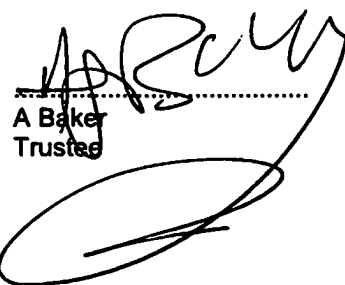
TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

Auditor

Insofar 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 steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on 27/12/23 and signed on its behalf by:


A Baker
Trustee

THE DELTA EDUCATION TRUST

GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to J White, Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Delta Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board and its committees meet regularly enough to discharge their responsibilities and ensure robust governance and effective management arrangements.

The Trust maintains effective oversight of funds by reviewing management accounts which are provided to all Trustees on a monthly basis.

The trust reviewed the effectiveness of the governance of the main board in September 2022. This review resulted in the formation of three sub committees each meeting 6 times a year, and whose scope is defined by their respective terms of reference. The committees comprise of trustees whose skills and experience best match the committee's area of responsibility. The committees are:

- Trust Development
- School Standards
- Finance, Resources and Compliance

These committees then report to the main board, which meets 4 times a year to scrutinise recommendations and approve decisions.

Attendance of the main board during the year was as follows:

Trustee	Meetings attended	Out of a possible
A Baker	4	4
A Middle	4	4
L Symonds	3	4
S Watkins (re-appointed 1 January 2023)	2	4
M D Bickford	3	4
A Clough	4	4
G Wherity	4	4

THE DELTA EDUCATION TRUST
GOVERNANCE STATEMENT (CONTINUED)

Attendance of the Finance, Resources and Compliance Committee during the year was as follows:

Trustee	Meetings attended	Out of a possible
G Wherity	6	6
A Baker	6	6
A Gladwell	6	6
A Middle	6	6
M D Bickford	6	6

Review of value for money

As accounting officer the trustee 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 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:

Challenging – is the trust's school's performance high enough? Why and how are services provided? Are services still required? Can services be delivered differently?

Comparing – how does the school's financial performance compare with other schools with similar provisions?

Consulting – incorporating the views of stakeholders

Competing – how does the school secure efficient, effective and quality services? Is the school getting value for money from suppliers?

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 The Delta Education Trust for the year ended 31 August 2023 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 ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2023 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 DELTA EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

The 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 by the Finance and General Purposes Committee of reports, which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;

The Board of Trustees has decided:

To buy-in an internal audit service from Moore (South), whose role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period included review of purchase control.

The internal auditor reports to the board of trustees, through the Finance, Resources and Compliance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The schedule of internal scrutiny work has been delivered as planned, with no material control issues identified.

Review of effectiveness

As Accounting Officer, J White, Chief Executive 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 internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- 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 Finance, Resources and Compliance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

THE DELTA EDUCATION TRUST
GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Board of Trustees on 7/12/23 and signed on its behalf by:


.....
A Baker
Trustee


.....
J White
Chief Executive Officer

THE DELTA EDUCATION TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Delta Education Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement 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 Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of 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 Academy Trust Handbook 2022.

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.



.....
J White, Chief Executive Officer
Accounting officer

Date:.....8.12.23

THE DELTA EDUCATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

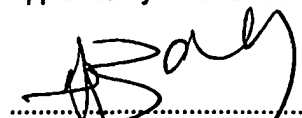

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 on 7/12/23 and signed on its behalf by:


.....
A Baker
Trustee


THE DELTA EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE DELTA EDUCATION TRUST

Opinion

We have audited the financial statements of The Delta Education Trust (the 'Academy') for the year ended 31 August 2023, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs at 31 August 2023 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 prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2022 to 2023.

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 Academy 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

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

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

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

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.

THE DELTA EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE DELTA EDUCATION TRUST (CONTINUED)

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 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 Strategic Report and Trustees' report.

We have nothing to report in respect of the following matters where 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 19], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor Responsibilities for the audit of the financial statements

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

THE DELTA EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE DELTA EDUCATION TRUST (CONTINUED)

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Academy through discussions with trustees and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Academy, including the Companies Act 2006, Academies Accounts Direction 2022 to 2023, Charities SORP 2019, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Academy's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the academy's legal advisors.

THE DELTA EDUCATION TRUST

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
THE DELTA EDUCATION TRUST (CONTINUED)**

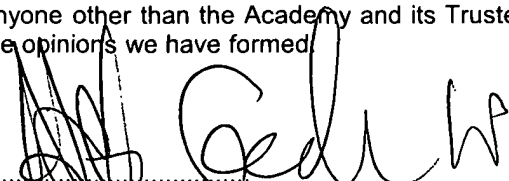
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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



.....
Joseph Duggrell BSc (Hons) FCA (Senior Statutory Auditor)
For and on behalf of Albert Goodman LLP, Statutory Auditor

Goodwood House
Blackbrook Park Avenue
Taunton
TA1 2PX

Date: 13/12/23

THE DELTA EDUCATION TRUST

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY

In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Delta Education Trust during the year to 31 August 2023 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 Delta Education Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to The Delta Education Trust and the 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 Delta Education Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Board of Trustees' funding agreement with the Secretary of State for Education dated and the Academy Trust Handbook extant from 1 September 2022, 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 2022 to 2023. 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 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

THE DELTA EDUCATION TRUST

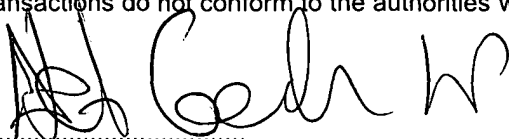
INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY (CONTINUED)

The work undertaken to draw to our conclusion includes:

- Reviewing compliance against the requirements of the Academy Trust Handbook (September 2022);
- A review of the governance policies and procedures with specific consideration of 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 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 from 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



.....
Joseph Doggrell BSc (Hons) FCA

For and on behalf of Albert Goodman LLP, Chartered Accountants

Goodwood House
Blackbrook Park Avenue
Taunton
TA1 2PX

Date: 13/12/23

THE DELTA EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2023

(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2022/23 Total £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	-	24	909	932
Transfer on conversion		-	-	8,821	8,821
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	16,891	-	16,891
South Central Teaching School Hub		-	627	-	627
Other trading activities	4	549	-	-	549
Total		549	17,542	9,729	27,820
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	6	548	16,669	922	18,139
South Central Teaching School Hub		-	621	-	621
Net income			251	8,808	9,059
Transfers between funds		(60)	(186)	246	-
Other recognised gains and losses					
Actuarial gain/(losses) on defined benefit pension scheme	23	-	1,064	-	1,064
Net movement in (deficit)/funds		(60)	1,129	9,054	10,123
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2022		1,088	(1,458)	33,384	33,014
Total funds/(deficit) carried forward at 31 August 2023		1,028	(329)	42,438	43,137

THE DELTA EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022

(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

				(As restated)	(As restated)
	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2021/22 Total £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	27	5	302	333
Transfer on conversion		335	(2,518)	19,790	17,607
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	12,760	-	12,760
South Central Teaching School Hub		-	393	-	393
Sigma Teaching School		-	31	-	31
Other trading activities	4	842	-	-	842
Total		1,205	10,671	20,091	31,967
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	6	123	14,368	522	15,012
South Central Teaching School Hub		-	343	-	343
Sigma Teaching School	6	-	33	-	33
Net income/(expenditure)		1,082	(4,073)	19,570	16,578
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	23	-	7,393	-	7,393
Net movement in funds		1,082	3,320	19,570	23,971
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2021		6	(4,778)	13,815	9,043
Total funds/(deficit) carried forward at 31 August 2022		1,088	(1,458)	33,384	33,014

THE DELTA EDUCATION TRUST
(REGISTRATION NUMBER: 08382383)
BALANCE SHEET AS AT 31 AUGUST 2023

			(As restated)
	Note	2023 £ 000	2022 £ 000
Fixed assets			
Tangible assets	11	42,372	33,386
Current assets			
Debtors	12	642	1,030
Cash at bank and in hand		<u>2,931</u>	<u>2,567</u>
		3,572	3,597
Liabilities			
Creditors: Amounts falling due within one year	13	<u>(2,115)</u>	<u>(2,460)</u>
Net current assets		<u>1,458</u>	<u>1,137</u>
Total assets less current liabilities		<u>43,829</u>	<u>34,523</u>
Net assets excluding pension liability		43,829	34,523
Defined benefit pension scheme liability	23	<u>(692)</u>	<u>(1,509)</u>
Total net assets		<u><u>43,137</u></u>	<u><u>33,014</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund	14	(329)	(1,458)
Restricted fixed asset fund	14	<u>42,438</u>	<u>33,384</u>
		42,109	31,926
Unrestricted funds			
Unrestricted general fund	14	<u>1,028</u>	<u>1,088</u>
Total funds		<u><u>43,137</u></u>	<u><u>33,014</u></u>

The financial statements on pages 26 to 56 were approved by the Trustees, and authorised for issue on 7/12/23 and signed on their behalf by:



 A Baker
 Trustee

THE DELTA EDUCATION TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2023

		2023	(As restated) 2022
	Note	£ 000	£ 000
Cash flows from operating activities			
Net cash provided by operating activities	17	671	1,760
Cash flows from investing activities	19	(178)	1
Cash flows from financing activities	18	<u>(129)</u>	<u>(87)</u>
Change in cash and cash equivalents in the year		364	1,674
Cash and cash equivalents at 1 September		<u>2,567</u>	<u>893</u>
Cash and cash equivalents at 31 August	20	<u><u>2,931</u></u>	<u><u>2,567</u></u>

THE DELTA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

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

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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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.

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 spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

THE DELTA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

1 Accounting policies (continued)

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'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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.

All resources expended are inclusive of irrecoverable VAT.

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.

THE DELTA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

1 Accounting policies (continued)

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.

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/reducing balance] basis over its expected useful life, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

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.

Asset class

Long-term leasehold property

Computer Equipment

Fixtures, fittings & equipment

Motor vehicles

Depreciation method and rate

2% straight line or the length of the lease

33.33% straight line

15%-20% straight line

25% straight line

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.

THE DELTA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

1 Accounting policies (continued)

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.

Leased assets

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

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 Chapter 3 Part 11 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.

THE DELTA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

1 Accounting policies (continued)

Pension 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 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 based on 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 net income/(expenditure) 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.

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.

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.

THE DELTA EDUCATION TRUST**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023****(CONTINUED)**

1 Accounting policies (continued)***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 will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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.

Prior period adjustment

The comparative year has been restated to include the donated fixed asset property for Harbour School Dorset of £12,400,000 in line with the ESFA valuation received during 2023. Depreciation has been adjusted accordingly and increased by £103,333.

2 Donations and capital grants

	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2022/23 Total £ 000	2021/22 Total £ 000
Other voluntary income				
Capital grants DfE/ESFA	-	909	909	302
Other donations	24	-	24	32
	<u>24</u>	<u>909</u>	<u>932</u>	<u>333</u>

THE DELTA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

3 Funding for the Academy Trust's educational operations

	Restricted funds £ 000	2022/23 Total £ 000	2021/22 Total £ 000
DfE/ESFA revenue grants			
General Annual Grant (GAG)	8,210	8,210	6,414
Other DfE/ESFA grants	1,557	1,557	463
UFSM	113	113	72
Rates	17	17	25
Pupil Premium	431	431	322
PE grant	44	44	32
Start up grants	141	141	130
	<u>10,514</u>	<u>10,514</u>	<u>7,460</u>
Other government grants			
Local authority grants	1,263	1,263	1,628
Individually assigned resources	5,114	5,114	3,672
	<u>6,377</u>	<u>6,377</u>	<u>5,300</u>
Total grants	<u>16,891</u>	<u>16,891</u>	<u>12,760</u>

4 Other trading activities

	Unrestricted Funds £ 000	2022/23 Total £ 000	2021/22 Total £ 000
Facilities and services income	16	16	10
Educational trips and activities	43	43	26
Other income	490	490	807
	<u>549</u>	<u>549</u>	<u>842</u>

THE DELTA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

5 Expenditure

	Non Pay Expenditure				(As restated)
	Staff costs	Premises	Other costs	2022/23	2021/22
	£ 000	£ 000	£ 000	Total	Total
				£ 000	£ 000
Academy's educational operations					
Direct costs	12,632	-	921	13,553	10,751
Allocated support costs	1,604	1,861	1,121	4,586	4,261
SIG Teaching Expenditure	-	-	-	-	33
SCH Teaching Expenditure	-	-	621	621	343
	<u>14,237</u>	<u>1,861</u>	<u>2,663</u>	<u>18,760</u>	<u>15,389</u>

6 Charitable activities

	2022/23	(As restated)
	£ 000	2021/22
		£ 000
Direct costs - educational operations	13,553	10,751
Support costs - educational operations	4,586	4,261
SCH teaching expenditure	621	343
SIG teaching expenditure	-	33
	<u>18,760</u>	<u>15,389</u>

THE DELTA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

6 Charitable activities (continued)

	Educational operations £ 000	2022/23 Total £ 000	(As restated) 2021/22 Total £ 000
Analysis of direct costs			
Teaching and educational support staff costs	12,632	12,632	9,871
Educational supplies	483	483	285
Staff development	64	64	33
Educational consultancy	58	58	61
Other direct costs	252	252	460
Trip costs	63	63	42
Total direct costs	13,553	13,553	10,751

	Educational operations £ 000	2022/23 Total £ 000	(As restated) 2021/22 Total £ 000
Analysis of support costs			
Support staff costs	1,604	1,604	2,206
Depreciation	922	922	520
Recruitment and support	37	37	4
Rent, rates and utilities	337	337	150
Insurance	43	43	31
Catering	264	264	182
Maintenance of premises and equipment	407	407	492
Cleaning	196	196	126
Technology costs	285	285	211
Professional fees	180	180	140
Other support costs	850	850	475
Governance costs	84	84	67
Total support costs	5,207	5,207	4,604

THE DELTA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

7 Staff

Staff costs

	2022/23	2021/22
	£ 000	£ 000
Staff costs during the year were:		
Wages and salaries	10,380	8,201
Social security costs	993	774
Operating costs of defined benefit pension schemes	2,443	2,950
	<u>13,815</u>	<u>11,925</u>
Agency and supply staff costs	638	152
	<u>14,454</u>	<u>12,077</u>
		2022/23
		£ 000
Staff restructuring costs comprise:		
Severance payments		<u>40</u>

Staff numbers

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

	2023	2022
	No	No
Charitable Activities		
Teachers	125	127
Administration and support	214	194
Management	29	24
	<u>368</u>	<u>345</u>

Higher paid staff

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

	2022/23	2021/22
	No	No
£60,001 - £70,000	2	3
£70,001 - £80,000	2	3
£80,001 - £90,000	4	2
£90,001 - £100,000	1	1
£100,001 - £110,000	<u>1</u>	<u>-</u>

THE DELTA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

7 Staff (continued)

Key management personnel

The key management personnel of the academy trust 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 trust was £831,559 (2022: £704,000).

8 Central services

The academy trust has provided the following central services to its academies during the year:

- Executive leadership
- Financial Management
- Governance
- IT support Management
- HR & Payroll
- Project management of CIF projects
- Marketing materials and website support
- School Improvement
- Trust wide CPD

The academy trust charges for these services on the following basis:

Percentage of the GAG funding

The actual amounts charged during the year were as follows:

	2022/23	2021/22
	£ 000	£ 000
The Quay School (TQS)	119	130
Harbour School Dorset (HSD)	109	90
The Harbour School (THS)	304	274
South Central Teaching School Hub (SCH)	8	14
Winton Primary School (WIN)	184	108
Wymering School (WYM)	38	-
	762	616

THE DELTA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

9 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. 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, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

J White (Accounting Officer, and Chief Executive Officer (resigned as trustee 9 December 2021)):

Remuneration: £Nil (2022 - £25,000 - £30,000)

Employer's pension contributions: £Nil (2022 - £5,000 - £10,000)

During the year ended 31 August 2023, travel and subsistence expenses totalling £61 (2022 - £232) were reimbursed or paid directly to 1 trustees (2022 - 2).

Other related party transactions involving the trustees are set out in note 24.

10 Trustees' and officers' insurance

The academy trust has opted into the Department for 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.

THE DELTA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

11 Tangible fixed assets

	Leasehold land and buildings £ 000 (As restated)	Furniture and equipment £ 000	Computer equipment £ 000	Motor vehicles £ 000	2022/23 Total £ 000
Cost					
At 1 September 2022	35,555	178	425	112	36,270
Additions	<u>9,544</u>	<u>24</u>	<u>200</u>	<u>140</u>	<u>9,907</u>
At 31 August 2023	<u>45,099</u>	<u>202</u>	<u>625</u>	<u>251</u>	<u>46,177</u>
Depreciation					
At 1 September 2022	2,354	121	343	65	2,884
Charge for the year	<u>740</u>	<u>22</u>	<u>122</u>	<u>37</u>	<u>922</u>
At 31 August 2023	<u>3,095</u>	<u>143</u>	<u>465</u>	<u>103</u>	<u>3,806</u>
Net book value					
At 31 August 2023	<u>42,004</u>	<u>59</u>	<u>160</u>	<u>149</u>	<u>42,372</u>
At 31 August 2022	<u>33,201</u>	<u>57</u>	<u>82</u>	<u>46</u>	<u>33,386</u>
During the year, new premises were donated to the academy trust for the Wymering School at a cost value of £8,820,823.					

12 Debtors

	2023 £ 000	2022 £ 000
Trade debtors	112	111
VAT recoverable	44	455
Other debtors	5	2
Prepayments and accrued income	<u>481</u>	<u>462</u>
	<u>642</u>	<u>1,030</u>

THE DELTA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

13 Creditors: amounts falling due within one year

	2023	2022
	£ 000	£ 000
Trade creditors	258	649
Other taxation and social security	244	162
Other creditors	271	465
Accruals and deferred income	1,342	1,185
	<u>2,115</u>	<u>2,460</u>

	2023	2022
	£ 000	£ 000
Deferred income		
Deferred income at 1 September 2022	1,030	594
Resources deferred in the period	902	1,030
Amounts released from previous periods	<u>(1,030)</u>	<u>(594)</u>
Deferred income at 31 August 2023	<u>902</u>	<u>1,030</u>

At the balance sheet date the academy trust was holding funds received in advance for £902k. This relates to funds received from the local authority and the ESFA relating to activities due to take place in the following financial year.

THE DELTA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

14 Funds

	(As restated) Balance at 1 September 2022 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2023 £ 000
Restricted funds					
<i>Restricted general funds</i>					
Other Local Authority Grant	-	1,263	(1,263)	-	-
General Annual Grant (GAG)	-	8,388	(7,869)	(202)	316
Other DfE/ESFA grants	-	519	(519)	-	-
Individually Assigned Resources	-	5,114	(5,114)	-	-
UIFSM	-	113	(113)	-	-
Other restricted funds	51	1,670	(1,690)	17	48
Pension reserve	(1,509)	-	(247)	1,064	(692)
PE Grant	-	44	(44)	-	-
Pupil Premium	-	431	(431)	-	-
Total restricted general funds	(1,458)	17,542	(17,291)	878	(329)
<i>Restricted fixed asset funds</i>					
Inherited fixed assets	32,553	8,821	(724)	-	40,650
DfE/ESFA capital grants	59	251	(34)	246	522
Capital expenditure from GAG	445	25	(74)	-	396
Capital expenditure from CIF	327	633	(90)	-	871
Total restricted fixed asset funds	33,384	9,729	(922)	246	42,438
Total restricted funds	31,926	27,271	(18,212)	1,124	42,109
<i>Unrestricted general funds</i>					
General	1,088	549	(548)	(60)	1,028
Total unrestricted funds	1,088	549	(548)	(60)	1,028
Total endowment funds	-	-	-	-	-
Total funds	33,014	27,820	(18,760)	1,064	43,137

THE DELTA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

14 Funds (continued)

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

	Balance at 1 September 2021 £ 000	(As restated) Incoming resources £ 000	(As restated) Resources expended £ 000	Gains, losses and transfers £ 000	(As restated) Balance at 31 August 2022 £ 000
Restricted funds					
<i>Restricted general funds</i>					
General Annual Grant (GAG)	160	6,488	(6,648)	-	-
Other DfE/ESFA grants	-	601	(601)	-	-
Individually Assigned Resources	-	3,672	(3,672)	-	-
UIFSM	-	72	(72)	-	-
Other restricted funds	3	2,075	(2,027)	-	51
Pension reserve	(4,941)	(2,592)	(1,369)	7,393	(1,509)
PE Grant	-	32	(32)	-	-
Pupil Premium	-	322	(322)	-	-
Total restricted general funds	(4,778)	10,671	(14,744)	7,393	(1,458)
<i>Restricted fixed asset funds</i>					
Inherited fixed assets	13,815	19,260	(522)	-	32,553
DfE/ESFA capital grants	-	59	-	-	59
Capital expenditure from GAG	-	445	-	-	445
Capital expenditure from CIF	-	327	-	-	327
Total restricted fixed asset funds	13,815	20,091	(522)	-	33,384
Total restricted funds	9,037	30,762	(15,266)	7,393	31,926
<i>Unrestricted general funds</i>					
General	6	1,205	(123)	-	1,088
Total unrestricted funds	6	1,205	(123)	-	1,088
Total endowment funds	-	-	-	-	-
Total funds	9,043	31,967	(15,389)	7,393	33,014

THE DELTA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

14 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £ 000	2022 £ 000
The Quay School (TQS)	137	59
Harbour School Dorset (HSD)	198	
The Harbour School (THS)	631	677
South Central Teaching School Hub (SCH)	48	51
Winton Primary School (WIN)	307	351
Wymering School (WYM)	69	-
The Delta Education Trust (DET)	1	1
	<hr/>	<hr/>
Total before fixed assets and pension reserve	1,391	1,139
Restricted fixed asset fund	42,438	33,384
Pension reserve	(692)	(1,509)
	<hr/>	<hr/>
Total	<u>43,137</u>	<u>33,014</u>

Total cost analysis by academy

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

	Teaching and educational support staff costs £ 000	Other support staff costs £ 000	Educational supplies £ 000	Other costs (excluding depreciation) £ 000	Total 2023 £ 000
The Quay School (TQS)	1,411	331	49	564	2,355
The Delta Education Trust (DET)	2	382	-	318	702
Harbour School Dorset (HSD)	1,378	322	190	614	2,504
The Harbour School (THS)	3,818	501	76	1,484	5,879
South Central Teaching School Hub (SCH)	-	107	-	413	520
Winton Primary School (WIN)	2,561	416	136	802	3,914
Wymering School (WYM)	251	81	28	153	512
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Academy Trust	<u>9,421</u>	<u>2,140</u>	<u>478</u>	<u>4,348</u>	<u>16,387</u>

THE DELTA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

14 Funds (continued)

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

	Teaching and educational support staff costs £ 000	Other support staff costs £ 000	Educational supplies £ 000	Other costs (excluding depreciation) £ 000	Total 2022 £ 000
The Quay School (TQS)	2,172	33	64	338	2,607
The Delta Education Trust (DET)	483	17	-	287	787
Sigma Teaching School (SIG)	19	-	-	16	35
Harbour School Dorset (HSD)	915	28	75	163	1,181
The Harbour School (THS)	4,519	59	113	821	5,512
South Central Teaching School Hub (SCH)	157	-	-	172	329
Winton Primary School (WIN)	2,401	15	105	584	3,105
Academy Trust	<u>10,666</u>	<u>152</u>	<u>357</u>	<u>2,381</u>	<u>13,556</u>

THE DELTA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

15 Analysis of net assets between funds

Fund balances at 31 August 2023 are represented by:

	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total Funds £ 000
Tangible fixed assets	-	-	42,372	42,372
Current assets	1,028	2,478	66	3,572
Current liabilities	-	(2,115)	-	(2,115)
Pension scheme liability	-	(692)	-	(692)
Total net assets	1,028	(329)	42,438	43,137

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

	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total Funds £ 000
Tangible fixed assets	-	-	33,386	33,386
Current assets	1,088	2,511	(2)	3,597
Current liabilities	-	(2,460)	-	(2,460)
Pension scheme liability	-	(1,509)	-	(1,509)
Total net assets	1,088	(1,458)	33,384	33,014

16 Long-term commitments, including operating leases

Operating leases

At 31 August 2023 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2023 £ 000	2022 £ 000
Amounts due within one year	29	33
Amounts due between one and five years	30	32
	59	66

THE DELTA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

17 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2023	(As restated) 2022
	£ 000	£ 000
Net income	9,059	16,578
Depreciation	922	520
Capital grants from DfE and other capital income	(909)	(302)
Defined benefit pension scheme cost less contributions payable	190	1,259
Defined benefit pension scheme finance cost	57	110
Stock, Debtors and Creditors transferred on conversion	-	(118)
Decrease/(increase) in debtors	389	(450)
(Decrease)/increase in creditors	(216)	1,242
Net surplus on transfer of academy into trust	-	(5,207)
Cash funds transferred on conversion	-	528
Donated Assets	<u>(8,821)</u>	<u>(12,400)</u>
Net cash provided by Operating Activities	<u>671</u>	<u>1,760</u>

18 Cash flows from financing activities

	2023	2022
	£ 000	£ 000
Repayments of borrowing	<u>(129)</u>	<u>(87)</u>
Net cash used in financing activities	<u>(129)</u>	<u>(87)</u>

19 Cash flows from investing activities

	2023	(As restated) 2022
	£ 000	£ 000
Purchase of tangible fixed assets	(1,087)	(301)
Capital funding received from sponsors and others	<u>909</u>	<u>302</u>
Net cash (used in)/provided by investing activities	<u>(178)</u>	<u>1</u>

THE DELTA EDUCATION TRUST**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023****(CONTINUED)****20 Analysis of cash and cash equivalents**

	2023 £ 000	2022 £ 000
Cash in hand and at bank	2,931	2,567
Total cash and cash equivalents	2,931	2,567

21 Analysis of changes in net debt

	At 1 September 2022 £ 000	Cash flows £ 000	At 31 August 2023 £ 000
Cash	2,567	364	2,931
Loans falling due within one year	(131)	131	-
Total	2,436	494	2,931

22 Member 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.

23 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 Dorset and Hampshire 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 to the period ended 31 March 2019.

Contributions amounting to £259,872 (2022: £206,142) were payable to the schemes at 31 August 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 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 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.

THE DELTA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

23 Pension and similar obligations (continued)

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 latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £Nil (2022: £Nil).

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 schemes

Dorset County Pension Fund

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £658,000 (2022 - £436,000), of which employer's contributions totalled £519,000 (2022 - £339,000) and employees' contributions totalled £139,000 (2022 - £97,000). The agreed contribution rates for future years are per cent for employers and per cent for employees. The scheme is managed by Dorset County Council.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

THE DELTA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

23 Pension and similar obligations (continued)

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	3.90	3.90
Rate of increase for pensions in payment/inflation	2.90	2.90
Discount rate for scheme liabilities	<u>5.30</u>	<u>4.30</u>

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

	2023	2022
Retiring today		
Males retiring today	21.80	22.10
Females retiring today	23.90	24.20
Retiring in 20 years		
Males retiring in 20 years	23.10	23.40
Females retiring in 20 years	<u>25.30</u>	<u>25.60</u>

Sensitivity analysis

	2023	2022
	£ 000	£ 000
Discount rate +0.1%	375	229
Discount rate -0.1%	402	236
Mortality assumption – 1 year increase	400	234
Mortality assumption – 1 year decrease	376	231
CPI rate +0.1%	402	221
CPI rate -0.1%	<u>374</u>	<u>213</u>

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

	2023	2022
	£ 000	£ 000
Equities	2,131	1,660
Other bonds	226	141
Property	303	317
Cash and other liquid assets	51	47
Other	<u>741</u>	<u>909</u>
Total market value of assets	<u>3,452</u>	<u>3,074</u>

The actual return on scheme assets was £58,000 (2022 - £440,000).

THE DELTA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

23 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2023	2022
	£ 000	£ 000
Current service cost	578	977
Interest cost	55	61
Admin expenses	2	1
Total amount recognized in the SOFA	<u>635</u>	<u>1,039</u>

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

	2023	2022
	£ 000	£ 000
At start of period	4,181	3,127
Transferred in on existing academies joining the trust	-	4,209
Current service cost	578	977
Interest cost	180	106
Employee contributions	139	97
Actuarial (gain)/loss	(1,009)	(4,298)
Benefits paid	<u>(42)</u>	<u>(37)</u>
At 31 August	<u>4,027</u>	<u>4,181</u>

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

	2023	2022
	£ 000	£ 000
At start of period	3,074	1,225
Transferred in on existing academies joining the trust	-	1,617
Interest income	144	45
Actuarial gain/(loss)	(380)	(211)
Employer contributions	519	339
Employee contributions	139	97
Benefits paid	<u>(44)</u>	<u>(38)</u>
At 31 August	<u>3,452</u>	<u>3,074</u>

Hampshire Pension Fund

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £436,000 (2022 - £404,000), of which employer's contributions totalled £329,000 (2022 - £305,000) and employees' contributions totalled £107,000 (2022 - £99,000). The agreed contribution rates for future years are per cent for employers and per cent for employees. The scheme is managed by Hampshire County Council.

THE DELTA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

23 Pension and similar obligations (continued)

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	4.00	3.70
Rate of increase for pensions in payment/inflation	3.00	2.70
Discount rate for scheme liabilities	<u>5.20</u>	<u>4.00</u>

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

	2023	2022
Retiring today		
Males retiring today	22.10	22.90
Females retiring today	24.70	25.40
Retiring in 20 years		
Males retiring in 20 years	22.60	24.70
Females retiring in 20 years	<u>25.70</u>	<u>27.10</u>

Sensitivity analysis

	2023
	£ 000
Discount rate -0.1%	100
Mortality assumption – 1 year increase	<u>172</u>

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

	2023	2022
	£ 000	£ 000
Equities	2,473	2,132
Other bonds	1,341	896
Property	251	287
Cash and other liquid assets	126	33
Other	-	334
Total market value of assets	<u>4,191</u>	<u>3,682</u>

The actual return on scheme assets was £125,730 (2022 - £Nil).

THE DELTA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

23 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2023	2022
	£ 000	£ 000
Current service cost	460	926
Interest cost	19	157
Total amount recognized in the SOFA	<u>479</u>	<u>1,083</u>

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

	2022/23	2021/22
	£ 000	£ 000
At start of period	4,084	6,618
Current service cost	460	926
Interest cost	173	113
Employee contributions	107	99
Actuarial (gain)/loss	(441)	(3,644)
Benefits paid	<u>(75)</u>	<u>(28)</u>
At 31 August	<u>4,308</u>	<u>4,084</u>

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

	2023	2022
	£ 000	£ 000
At start of period	3,682	3,579
Interest income	154	64
Actuarial gain/(loss)	(6)	(338)
Employer contributions	329	305
Employee contributions	107	99
Benefits paid	<u>(75)</u>	<u>(27)</u>
At 31 August	<u>4,191</u>	<u>3,682</u>

24 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.

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 9.

THE DELTA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

25 Academy trust with a newly converted academy

In April 2023, the Wymering School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Delta Education Trust for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Restricted fixed asset fund £ 000	Total £ 000
Tangible fixed assets		
Freehold land and buildings	<u>8,821</u>	<u>8,821</u>