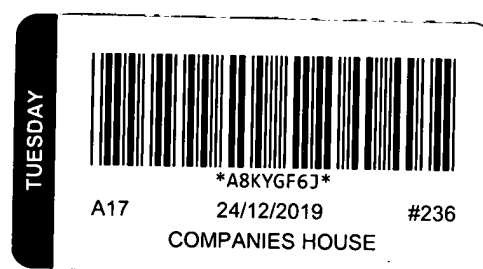




Company Registration No. 08509710 (England and Wales)

PETERBOROUGH DIOCESE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019



PETERBOROUGH DIOCESE EDUCATION TRUST

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PETERBOROUGH DIOCESE EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Directors

Mr K Binley
Mrs H Buckley (Resigned 24 April 2019)
Mrs M Holman (Chair)
Mr G Cracknell (Vice Chair)
Mrs C Armstrong
Mr A Weatherill
Mr D Mills
Mr P Cantley
Dr G Temple
Mrs N Howes (Appointed 26 September 2019)
Mr A Scarborough (Appointed 26 September 2019)

Members

Bishop J Holbrook
(Chair of Peterborough Diocese Board of Education – appointee of PDCST)
Dr. R. Whittaker
(Representative of Bishop Stopford School - appointee of Peterborough Diocese Church Schools Trust (PDCST))
Dr J Herrick
PDCST Corporate (represented by The Venerable Richard Ormiston)
(appointee of Peterborough Diocese Church Schools Trust (PDCST))
M F Holman (Chair of Directors)

Senior management team

Mrs H Buckley (Director of Legal, Governance, Safeguarding, Admissions and GDPR)
Mr M J Cowland (Business Director) (Resigned 1 July 2019)
Mr D Mills (Chief Executive)
Mrs R Walker-Green (Director of Learning and Achievement)
Mr L Hughes (Director of Business & Finance) (Appointed 3 October 2019)

Company registration number

8509710

Registered office

Bouverie Court
6 The Lakes
Bedford Road
Northampton
Northamptonshire
NN4 7YD

PETERBOROUGH DIOCESE EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated	Location	Headteacher
Barby	Daventry	Scott Dainty
Braunston	Daventry	Liana Willis
Collingtree	Northampton	Rebecca Osborne
Cottingham	Corby	Ashley Scott
Cranford	Kettering	Richard Albert
Easton Garford	Closed	
Great Addington	Wellingborough	Richard Meekings
Greens Norton	Towcester	Sue Marsh
Isham	Kettering	Kirstin Howarth
Loddington	Kettering	Neil Aiken
Mears Ashby	Northampton	Neil Aitken
Milton	Northampton	Rebecca Osborne
Pytchley	Kettering	Julia Havlickova
Ringstead	Wellingborough	Sue Campbell
Ryhall	Stamford	Katy Walker
St Andrews	Kettering	Ben Arnell
St Barnabas	Wellingborough	Sue Campbell
St James	Northampton	Sarah Beach
St Luke's	Northampton	Sonia Clews
Staverton	Daventry	Brian Irvine
Towcester	Towcester	Jo Griffin
Weldon	Corby	Kirstin Howarth
Head office	Northampton	
Silverstone	Towcester	James Bloomfield
Guilsborough	Northampton	Katie Shilliam
Welford, Sibbertoft & Sulby	Northampton	Michelle Pye
Blakesley	Towcester	Sally Beaton
Kislingbury	Kislingbury	Neil Tyler
Oundle	Oundle	Janet McMurdo
St Mary's	Kettering	Erica Holt
Spratton	Spratton	Michelle Pye
Trinity	Kettering	Scott Dainty

Independent auditor

Moore
Rutland House
Minerva Business Park
Lynch Wood
Peterborough
PE2 6PZ

Bankers

Barclays Bank Plc
Cambridge

Lloyds Bank Plc
Northampton

Solicitors

Stone King
Boundary House
91 Charterhouse Street
London
EC1M 6HR

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The Directors present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Peterborough Diocese Education Trust (PDET) is a Multi Academy Trust established to provide a home for Church of England schools in the Diocese of Peterborough who wish to convert to academy status or who are compelled by the Government to convert. There were thirty academies in PDET as at 31 August 2019.

Structure, governance and management

Constitution

The Academy 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 Academy Trust.

The directors of PDET are also the directors of the charitable company for the purposes of company law. The charitable company operates as Peterborough Diocese Education Trust.

Details of the Directors who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Directors' indemnities

Directors benefit from indemnity insurance to cover the liability of the Directors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Multi Academy Trust. The cost of this insurance is combined with the main policy.

Method of recruitment and appointment or election of Directors

The management of the PDET is the responsibility of the Directors who are elected and co-opted under the terms of the Articles of Association.

Policies and procedures adopted for the induction and training of Directors

An induction process has been developed and is delivered to all new Directors.

Organisational structure

The organisational structure consists of four levels: the Members, the Directors, the Academy Governance Committees (AGCs) and the Headteachers. In addition to the Academy Governance Committees (AGCs), the following committees of the Board of Directors have been formed:

- Business and Finance Committee
- Audit Committee
- Ethos and Standards and Effectiveness Committee
- Governance Committee
- Pay and Personnel Committee

Through the organisational structure some responsibilities are devolved to academy Local Governing Boards on a system of earned autonomy based around two separate Schemes of Delegation. The Chief Executive of the Multi Academy Trust is the Accounting Officer.

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Arrangements for setting pay and remuneration of key management personnel

Directors benchmark the pay and remuneration of key management personnel in various ways. The Pay and Personnel Committee initially commissioned Hays to provide them with an external benchmarking report for the salaries of the Chief Executive and Business Director. The Pay and Personnel committee regularly reviews the pay of senior staff in the trust. The senior leadership team review vacancies and the associated salaries of appointments in the academies.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period

1

Full-time equivalent employee number

1.00

Percentage of time spent on facility time

Percentage of time

Number of employees

0%

-

1%-50%

-

51%-99%

-

100%

-

Percentage of pay bill spent on facility time

Total cost of facility time

12,332

Total pay bill

16,323,115

Percentage of the total pay bill spent on facility time

Less than 1%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours

-

Related parties and other connected charities and organisations

PDET's sponsor is the Diocese of Peterborough.

Objectives and activities

Objects and aims

PDET's object is specifically restricted to the following:

The advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing academies which shall offer a broad and balanced curriculum and which shall include:

- i. Church of England schools designated as such will be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education; and
- ii. Other academies whether with or without a designated religious character, but in relation to each of the academies to recognise and support their individual character and respect the different background of each and its links to the local community which it services.

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Objectives, strategies and activities

PDET aims to establish a network of successful academies within the Diocese of Peterborough, which provide a high quality of education for our children. PDET's first academy opened in May 2014 with three more following that academic year. Twenty further academies opened during the four years between September 2014 and August 2018 and another six opened in this year. PDET will continue to work with local authorities, the Government and individual schools to raise the standards of education within the Diocese of Peterborough.

Public benefit

The Directors confirm they have referred to the Charity Commission guidance on public benefit when reviewing PDET's aims and objectives and in planning future activities for the year.

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report

Achievements and performance

This is the sixth year of operation of Peterborough Diocese Education Trust; the annual report covers the period from 1 September 2018 to 31 August 2019. At the start of the reporting year, the trust had 24 open academies. 6 more schools joined us during the course of the year:

1. Spratton Church of England Primary School (1 September 2018)
2. Kislingbury Church of England Primary School (1 September 2018)
3. St. Mary's Church of England Primary School (1 October 2018)
4. Oundle Church of England Primary School (1 December 2018)
5. Blakesley Church of England Primary School (1 February 2019)
6. Trinity Church of England Primary School (1 February 2019)

With the exception of Ryhall CE Academy, which is in Rutland local authority, all of our academies fall within Northamptonshire local authority and therefore the North West London and South Central Regional Schools Commissioner.

Expansion:

During the academic/financial year 2019-20, PDET plans to consolidate and ensure the best levels of service is afforded to each of its member schools. Freeman's Endowed CE Primary School has joined from 1 November 2019 and PDET will continue to seek opportunities that strengthen and enhance the Trust. The Board of Directors will continue to manage academy conversions to ensure that PDET has the capacity to support schools joining the Trust and also to maintain a balance of sponsored and convertor academies.

To ensure financial viability, attention will also be paid to the numbers of pupils on roll. The total number of pupils the Trust currently educates is in excess of 5500. This number of pupils means that PDET received a capital funding allocation (SCA) directly from the Education Funding Agency to deploy strategically across our schools to address our priority maintenance and expansion needs. Each school has been surveyed and schedule of works has been planned.

Strategic developments 2018/19:

This year reflects the first full year of executive leadership by a full time Chief Executive Officer for PDET and with the services of a Director of Learning and Achievement.

The academy improvement offer has extended in the year and supports academy improvement across the trust. The trust secured £99,900 from the Multi Academy Trust Development and Improvement Fund (MDIF) to enable the delivery of school to school support through the School Partnership Programme. In addition, academy improvement officer hours and teaching and learning support hours were increased. Standardisation of assessment across the trust was also developed.

Governance

The trust reviewed its Strategic Plan and launched an ambitious new three-year plan in April 2018. The new plan clearly sets out the trust's vision and purpose and states an intention to grow to 40 academies by 2021. The annual Trust Wide Improvement Plan sets out how Senior Management are going to deliver against the Strategic Plan providing actions through to success criteria.

PDET remains committed to the flourishing of the 'whole child' and continues to offer an enrichment programme for pupils comprising of Faith Roadshows (Year 4 pupils), Going for Gold Sports Days for (Year 2 - Year 4 pupils) and Maths Enrichment days (Year 5 pupils).

PDET have taken the decision to employ a full-time qualified accountant as Director of Business and Finance from 1 October 2019.

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Educational Outcomes 2019

Trust Position: Ofsted:

During the year 2018-19, 3 more academies received their first Ofsted inspection since joining the Trust. Ofsted Outcomes since joining the Trust are, therefore, as follows: (July 2019):

Inspection Results: Academies inspected in the Trust (15)				
	Inad.	RI	Good	Outst.
Ofsted judgements prior to conversion	1	4	10	0
Ofsted judgements post conversion	0	2	13	0

The table above shows:

- 13/15 PDET academies are now judged as 'Good' following an Ofsted inspection in the Trust;
- Changes to Ofsted judgements in those academies that have been inspected whilst in the Trust. 2 schools that were previously judged as 'Requires Improvement' have moved to 'Good' and 1 school that was 'Inadequate' has also moved to 'Good'.

1 academy, Weldon CE Primary School, was judged as 'Requires Improvement' in the academic year 2018-19. Ofsted acknowledged improvements that have been made since the academy's previous RI judgement as a predecessor school. Leadership and Management, Personal Development, Behaviour and Well-being and EYFS were judged as 'Good';

Ofsted comments for 2018 -2019 have included:

2018-19	Date	Type	Quotes
Weldon	Sept 18	S5	<i>'Leaders have benefited from strong support from PDET. Regular monitoring, advice and training have brought about significant improvement in the quality of education. The trust has been instrumental in supporting the changes and improvements at the school.'</i>
Cottingham	Oct 18	S8	<i>'The multi-academy trust is providing you and your staff with good and effective levels of ongoing support. They are responsive to the school's needs and are helping you to ensure that the quality of teaching is continuing to improve.'</i>
Towcester	Oct 18	S8	<i>'Support from trust leaders has improved the consistency of teaching and ensured that pupils' progress is assessed accurately.'</i>

Present Ofsted position of the Trust (July 2019) (including predecessor schools' judgements prior to joining the Trust):

The table below shows the Ofsted judgements for the whole Trust at present. This includes those academies that are still carrying a judgement pre-conversion.

Inspection Results: Schools and Academies (prior and post conversion) (29)			
Inadequate	RI	Good	Outstanding
2	3	20	4
(2 predecessor schools)	(All predecessor schools judged as RI)	(7 predecessor schools)	(All predecessor schools)

- 24/29 PDET academies are judged as 'Good' or better. (1 academy (Silverstone CE Primary School) has no prior predecessor Ofsted judgement.)

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Trust Performance:

At the time of writing, validated school performance tables have not been published. However, the un-validated headline data informs the table below:

Outcomes Performance Measure 2019		% of academies in line /+ national	% of academies above national
EYFS GLD (Good Level of Development)		80%	53%
Year 1 Phonics		77%	43%
End of KS1 at the Expected Standard:			
Reading		70%	47%
Writing		70%	33%
Maths		77%	40%
RWM Combined		80%	37%
End of KS1 at Greater Depth:			
Reading		80%	40%
Writing		73%	47%
Maths		73%	43%
End of KS2 at the Expected Standard:			
Reading		72%	41%
Writing		86%	48%
Maths		66%	48%
RWM Combined		69%	41%
EGPS		76%	52%
End of KS2 at the Higher Standard:			
Reading		66%	38%
Writing		76%	41%
Maths		69%	31%
EGPS		66%	41%

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Key performance indicators

Key Performance Indicators

PDET uses a number of financial key performance indicators to monitor and benchmark financial health and progress. These include teacher cost per pupil ratios, percentage of total income spent on salaries and salary benchmarking across PDET academies.

PDET has completed the mandatory Schools Resource Management Assessment tool, discussed the results at the Business and Finance Committee and set actions against the results. PDET will look to improve consistency of reporting throughout its schools and make use of internal benchmarking to ensure the trust continues to be financial sustainable.

Going concern

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

Financial review

The majority of PDET's funding comes through the General Annual Grant (GAG) from the Education and Skills Funding Agency (ESFA). This is used to help PDET achieve the objectives set out earlier in this report and in the trust's Strategic Plan. PDET's Central Team retain 5% of the GAG to fund the central support services, including academy improvement and a range of back office support. Directors have many examples of where central procurement of services has achieved better value for money than each academy operating independently.

At 31st August 2019, as per page 25, the total funds comprised:

Unrestricted Funds:	£3,637,043
Restricted Fixed Asset Funds:	£2,743,888
Restricted General Funds:	£220,522
Pension Reserve:	£(11,286,000)
Total:	£(4,684,547)

PDET continues to develop its network of professional partners supporting the business function of the academies and enabling the Headteachers in the academies to focus on teaching and learning.

Directors are aware of their responsibility to spend their SCA allocation in the areas of most need. The trust has engaged S2E Ltd to manage the schedule of works outlined from condition surveys carried out in all of the academies. The work will continue in 2019 – 20.

All academies in the trust continue to use the Access for Education Budget Setting tool (previously HCSS Budget Setting). Directors have approved a process of budgeting, reforecasting and common presentation of management accounts. This will ensure the academies, central team and Directors themselves fully understand variances to budgets and are kept abreast of financial performance across the trust.

Reserves policy

Directors review the level of reserves of the Academy Trust annually. Directors will seek to carry forward a prudent level of reserves both in the Academy Trust and each school to meet the long term needs of renewal and any other unforeseen contingencies plus a contribution towards future capital projects. The academies are advised to carry forward reserves equivalent to 8% of their annual GAG or £20,000 (whichever is higher) each year to cover unexpected catastrophic failures. Academies holding less than this are instructed to work towards it in their budget planning. The reserves policy states that all reserves are for the Trust, as one single financial entity.

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Investment policy

Directors have confirmed that through the management of future cash flow there will be sufficient funds in main bank accounts to cover operational costs, whilst enabling balances to be invested in similar secure short term higher interest deposit accounts.

Directors recommend that any cash not immediately required for operational expenses is placed on deposit at a higher rate of interest. PDET academies have been provided with a deposit account with Barclays Bank and the decision to use it or not has been delegated to the academies.

Investment options continue to be investigated with our banking providers.

Principal risks and uncertainties

The principle risks and uncertainties and our strategies for managing these are identified in the PDET Risk Register. Committees of the Directors monitor the risks delegated to them at each meeting.

Fundraising

PDET academies conduct limited fundraising activities. These include activities on behalf of the academies delivered by, for example, parent teacher associations. A very small number of lettings of academy facilities take place.

Plans for future periods

The Board of Directors will 'stagger' academy conversions to ensure that it has the capacity to support schools joining PDET. The level of support required is assessed by a baseline review as part of the due diligence process. A balanced growth will help us to ensure that our fixed costs are met while giving us an increased ability to provide a higher level of school improvement support.

Employee consultation and equal opportunities policy

Peterborough Diocese Education Trust is a fair and transparent employer. The Trust has adopted a Whistleblowing Policy that documents their assurance that concerns will be seriously considered and appropriate action taken. Additionally, the policy;

- provides the basis on which individuals can raise serious concerns they may have, and receive feedback on action taken;
- allows individuals to take the matter further if they are dissatisfied with the Academy's response; and
- outlines the protection from reprisals or victimisation for whistle-blowing'.

Messages are disseminated from the central team to Academy based staff in a variety of ways. These include weekly CEO newsletters, termly Headteacher meetings and regular meetings between other central and Academy based staff.

The Trust considers equal opportunities in its recruitment and selection practices. The Recruiting Manager will pay particular attention to equality issues when deciding upon selection interview questions and other selection exercises. This should enable applicants to demonstrate their ability regardless of any Protected Characteristics. Furthermore, the trust is committed to supporting continuous employment, training, career development and promotion of persons who become disabled while employed by the Trust wherever possible and equitable.

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

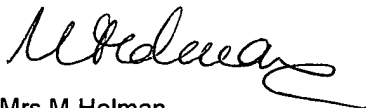
Auditor

In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors 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.

A resolution proposing that Moore be reappointed as auditor of the charitable company will be put to the members.

The Directors' report, incorporating a strategic report, was approved by order of the board of Directors, as the company Directors, on 18 December 2019 and signed on its behalf by:



Mrs M Holman
Chair

PETERBOROUGH DIOCESE EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

As Directors we acknowledge we have overall responsibility for ensuring that Peterborough Diocese 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 Directors has delegated the day-to-day responsibility to Mr D Mills, 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 Peterborough Diocese Education Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The board of Directors has formally met 6 times during the year. Attendance during the year at meetings of the board of Directors was as follows:

Directors	Meetings attended	Out of possible
Mr K Binley	4	6
Mrs H Buckley (Resigned 24 April 2019)	2	4
Mrs M Holman (Chair)	5	6
Mr G Cracknell (Vice Chair)	6	6
Mrs C Armstrong	6	6
Mr A Weatherill	4	6
Mr D Mills	6	6
Mr P Cantley	6	6
Dr G Temple	6	6
Mrs N Howes (Appointed 26 September 2019)		
Mr A Scarborough (Appointed 26 September 2019)		

The **Business & Finance Committee** is a sub-committee of the main board of Directors. Its purpose is to maintain an oversight of PDET's finances, the financial implications of human resources, payroll, administration, marketing, health & safety, premises, insurance, ICT and catering. The Business & Finance Committee has no executive powers or operational responsibilities / duties.

Attendance at meetings in the year was as follows:

Directors	Meetings attended	Out of possible
Mr K Binley	4	6
Mrs C Armstrong	6	6
Mr D Mills	6	6
B Hansford (non Director)	4	6

PETERBOROUGH DIOCESE EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Review of value for money

As accounting officer, Mr D Mills 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 Directors where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for PDET has delivered improved value for money during the year by:

Professional Services:

All of our academies continue to pay 5% of their General Annual Grant to provide an increasingly broad range of services, a full list of these is available from www.pdet.org.uk. In consultation with our academy Headteacher Reference Group PDET has committed to increasing the services provided wherever possible. Some examples of where the trust has been able to achieve greater value for money on the purchasing of professional services can be seen below:

- The trust continues to work with the Litmus Partnership to procure catering services for 20 academies and ensuring the arrangement with the catering provider works to the best advantage for the trust;
- The trust has initiated the start of a trust wide ICT review, working with a selection of partners to scope what is required;
- The trust is part way through a full tendering process for payroll and human resource provisions using the services provided by the Schools Buying Club;
- The trust has continued to procure legal support for academy conversions at a reduced price by combining the contract with the legal retainer contract and by offering a number of academy conversions;
- The trust has procured academy improvement services at a reduced cost by clustering academies and offering a larger contract than single schools;
- The trust has made multiple savings on staff training and development;
- The trust has procured a number of subscription savings through group procurement;
- The trust retendered our insurance programme and moved to the government's Risk Protection Arrangement (RPA) scheme. This results in a lower per pupil insurance cost;
- All PDET academies received the Diocesan Service Level agreement from their 5% central support charge.

The trust continues to complete all academy conversions without the requirement for an external project manager. This saves PDET approximately £3,000 per academy conversion.

Employment:

Until January 2018, PDET benefitted from time donated by the Diocese of Peterborough's Director of Education. This time and their existing relationships with staff have been crucial to support the trust's growth. From 1 January 2018, PDET employed a full time Chief Executive Officer and delivered a step change in development.

Other "in kind" support from the Diocese of Peterborough has included office space and associated occupation costs. PDET is based within the Diocese of Peterborough's education office and benefits from heavily subsidised accommodation costs. A 'sharing agreement' is in place for this.

There are 6 Executive Headteachers working in PDET academies ensuring the affordability of highly experienced staff in small schools. PDET also employs 3 Business Managers who are responsible for the business services in more than one academy. These initiatives save the trust approximately £150,000 a year.

PETERBOROUGH DIOCESE EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Peterborough Diocese Education Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

The Academy 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 Directors;
- regular reviews by the Business & Finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided:

- to appoint Moore as internal auditor for 2019/20

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks to be included are:

- operation of the new finance system
- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of budget monitoring
- financial regulations review

PETERBOROUGH DIOCESE EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Review of effectiveness

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

- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the Business Director and Financial Controller 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 Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of Directors on 18 December 2019 and signed on its behalf by:



Mrs M Holman
Chair

PETERBOROUGH DIOCESE EDUCATION TRUST

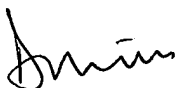
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

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

I confirm that I and the Academy Trust's board of Directors 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 Academies Financial Handbook 2018.

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



Mr D Mills
Accounting Officer

18 December 2019

PETERBOROUGH DIOCESE EDUCATION TRUST

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The Directors (who also act as Trustees for Peterborough Diocese Education Trust) are responsible for preparing the Directors' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare accounts for each financial year. Under company law, the Directors must not approve the accounts 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 accounts, the Directors are required to:

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

The Directors 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 accounts 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 Directors 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 that grants received from ESFA/DfE have been applied for the purposes intended.

The Directors 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of Directors on 18 December 2019 and signed on its behalf by:



Mrs M Holman
Chair

PETERBOROUGH DIOCESE EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PETERBOROUGH DIOCESE EDUCATION TRUST

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

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

In our opinion the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Directors are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

PETERBOROUGH DIOCESE EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PETERBOROUGH DIOCESE EDUCATION TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Opinions 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 Directors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Directors' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report, including the incorporated strategic report.

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

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

Responsibilities of Directors

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Directors are responsible for assessing the Academy Trust'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 Directors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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

PETERBOROUGH DIOCESE EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PETERBOROUGH DIOCESE EDUCATION TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Use of our report

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



Mohamedraza Mavani FCA (Senior Statutory Auditor)
for and on behalf of

23 December 2019



MOORE

Chartered Accountants
Statutory Auditor

Rutland House
Minerva Business Park
Lynch Wood
Peterborough
PE2 6PZ

PETERBOROUGH DIOCESE EDUCATION TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PETERBOROUGH DIOCESE EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 25 July 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Peterborough Diocese Education Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Peterborough Diocese Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Peterborough Diocese Education Trust's funding agreement with the Secretary of State for Education dated 30 September 2014 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

PETERBOROUGH DIOCESE EDUCATION TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PETERBOROUGH DIOCESE EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The work undertaken to draw to our conclusion includes:

- Reviewing minutes of meetings, management accounts and made enquiries of management;
- Performing sample testing of expenditure ensuring items are for the Academy's purposes and are appropriately authorised;
- Sample testing on credit card expenditure, review for any indication of purchase for personal use by staff, Head or Governors;
- Reviewing the procedures for identifying and declaring related parties and other business interests;
- Scrutinising journals, and other adjustments posted during the year for evidence of unusual entries and made further enquiries into any such items where relevant;
- Taking a selection of nominal ledger accounts for evidence of unusual entries and made further enquiries into any such items where relevant;
- Performing an evaluation of the general control environment;
- Reviewing nominal ledger accounts for any large or unusual entries and obtaining supporting documentation.

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 period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Moore

Reporting Accountant



Rutland House
Minerva Business Park
Lynch Wood
Peterborough
PE2 6PZ

Dated: 23 December 2019

PETERBOROUGH DIOCESE EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General £ Fixed asset £	Total 2019 £	Total 2018 £
Income and endowments from:					
Donations and capital grants	3	400,774	29 938,480	1,339,283	911,689
Donations - transfer from local authority on conversion	25	580,116	(836,000)	(255,884)	88,838
Donations - transfer of existing academy into the trust	25	94,000	(132,000) 90,000	52,000	-
Charitable activities:					
- Funding for educational operations	4	-	23,465,038	23,465,038	18,614,556
Other trading activities	5	578,330	669,655	1,247,985	806,626
Investments	6	7,281	-	7,281	1,859
Total		<u>1,660,501</u>	<u>23,166,722</u>	<u>25,855,703</u>	<u>20,423,568</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	522,747	25,449,999 893,528	26,866,274	20,625,473
Total	7	<u>522,747</u>	<u>25,449,999</u>	<u>26,866,274</u>	<u>20,625,473</u>
Net income/(expenditure)		1,137,754	(2,283,277) 134,952	(1,010,571)	(201,905)
Transfers between funds	17	(232,917)	- 232,917	-	-
Other recognised gains/(losses)					
Actuarial (losses)/gains on defined benefit pension schemes	19	-	(3,193,000)	(3,193,000)	1,267,000
Net movement in funds		<u>904,837</u>	<u>(5,476,277)</u>	<u>(4,203,571)</u>	<u>1,065,095</u>
Reconciliation of funds					
Total funds brought forward		2,732,206	(5,589,201) 2,376,019	(480,976)	(1,546,071)
Total funds carried forward		<u>3,637,043</u>	<u>(11,065,478)</u>	<u>(4,684,547)</u>	<u>(480,976)</u>

PETERBOROUGH DIOCESE EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2018
		£	£	£	£
Income and endowments from:					
Donations and capital grants	3	250,697	-	660,992	911,689
Donations - transfer from local authority on conversion	25	583,838	(495,000)	-	88,838
Charitable activities:					
- Funding for educational operations	4	6,921	18,607,635	-	18,614,556
Other trading activities	5	250,287	556,339	-	806,626
Investments	6	1,859	-	-	1,859
Total		<u>1,093,602</u>	<u>18,668,974</u>	<u>660,992</u>	<u>20,423,568</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	516,198	19,834,357	274,918	20,625,473
Total	7	<u>516,198</u>	<u>19,834,357</u>	<u>274,918</u>	<u>20,625,473</u>
Net income/(expenditure)		577,404	(1,165,383)	386,074	(201,905)
Transfers between funds	17	(624,651)	(11,692)	636,343	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	1,267,000	-	1,267,000
Net movement in funds		<u>(47,247)</u>	<u>89,925</u>	<u>1,022,417</u>	<u>1,065,095</u>
Reconciliation of funds					
Total funds brought forward		2,779,453	(5,679,126)	1,353,602	(1,546,071)
Total funds carried forward		<u>2,732,206</u>	<u>(5,589,201)</u>	<u>2,376,019</u>	<u>(480,976)</u>

PETERBOROUGH DIOCESE EDUCATION TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	13		1,874,338		1,735,027
Current assets					
Debtors	14	1,012,908		587,491	
Cash at bank and in hand		5,287,073		4,104,775	
		<u>6,299,981</u>		<u>4,692,266</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(1,572,866)		(1,045,269)	
Net current assets			4,727,115		3,646,997
Net assets excluding pension liability			6,601,453		5,382,024
Defined benefit pension scheme liability	19		(11,286,000)		(5,863,000)
Total net liabilities			<u>(4,684,547)</u>		<u>(480,976)</u>
Funds of the Academy Trust:					
Restricted funds	17				
- Fixed asset funds			2,743,888		2,376,019
- Restricted income funds			220,522		273,799
- Pension reserve			(11,286,000)		(5,863,000)
Total restricted funds			<u>(8,321,590)</u>		<u>(3,213,182)</u>
Unrestricted income funds	17		3,637,043		2,732,206
Total funds			<u>(4,684,547)</u>		<u>(480,976)</u>

The accounts on pages 23 to 52 were approved by the Directors and authorised for issue on 18 December 2019 and are signed on their behalf by:



Mrs M Holman
Chair

Company Number 08509710

PETERBOROUGH DIOCESE EDUCATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	20	(73,001)		1,166,574	
Cash funds transferred on conversion		707,116		-	
		<u>634,115</u>		<u>1,166,574</u>	
Cash flows from investing activities					
Dividends, interest and rents from investments		7,281		1,859	
Capital grants from DfE Group		932,809		645,267	
Capital funding received from sponsors and others		5,671		15,725	
Purchase of tangible fixed assets		(419,536)		(656,343)	
Proceeds from sale of tangible fixed assets		21,958		-	
		<u>548,183</u>		<u>6,508</u>	
Net cash provided by investing activities					
Net increase in cash and cash equivalents in the reporting period					
		1,182,298		1,173,082	
Cash and cash equivalents at beginning of the year		4,104,775		2,931,693	
Cash and cash equivalents at end of the year		<u>5,287,073</u>		<u>4,104,775</u>	

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Peterborough Diocese Education Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Directors' report.

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.

1.1 Basis of preparation

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

Peterborough Diocese Education Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Directors 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 charitable company to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

1.3 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from the state maintained schools to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds and restricted general funds. Further details of the transaction are set out in note 25.

1.4 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.

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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.

1.5 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Expenditure on raising funds

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

Charitable activities

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

1.6 Tangible fixed assets and depreciation

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 that require 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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold land and buildings	30 years
Computer equipment	3 years
Fixtures, fittings & equipment	5 years
Motor vehicles	5 years

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

1.7 Liabilities

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

1.8 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.9 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows.

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 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.

1.11 Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The 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 are recognised in the period to which they relate.

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

1.12 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 Directors.

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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 Education and Skills Funding Agency.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Management have applied their judgement in determining the rates at which classes of fixed assets should be depreciated. The rates applied are shown in the accounting policy above. The pension liability is assessed by an independent actuarial valuation.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	938,480	938,480	640,992
Other donations	400,774	29	400,803	270,697
	<u>400,774</u>	<u>938,509</u>	<u>1,339,283</u>	<u>911,689</u>

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
General annual grant (GAG)	-	19,917,231	19,917,231	15,810,777
Start up grants	-	25,000	25,000	125,000
Other DfE group grants	-	2,879,215	2,879,215	2,141,990
	-	22,821,446	22,821,446	18,077,767
Other government grants				
Local authority grants	-	614,601	614,601	504,024
Special educational projects	-	28,991	28,991	25,844
	-	643,592	643,592	529,868
Other funding				
Other incoming resources	-	-	-	6,921
Total funding	-	23,465,038	23,465,038	18,614,556

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Other income	578,330	669,655	1,247,985	806,626

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Other investment income	7,281	-	7,281	1,859

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2019 £	Total 2018 £
Academy's educational operations					
- Direct costs	16,191,617	-	2,514,407	18,706,024	11,831,226
- Allocated support costs	4,217,387	1,758,882	2,183,981	8,160,250	5,052,327
	<u>20,409,004</u>	<u>1,758,882</u>	<u>4,698,388</u>	<u>26,866,274</u>	<u>16,883,553</u>

Net income/(expenditure) for the year includes:	2019	2018
	£	£
Fees payable to auditor for:		
- Audit	23,500	22,000
- Other services	7,000	8,000
Operating lease rentals	42,608	25,337
Depreciation of tangible fixed assets	343,267	274,918
Net interest on defined benefit pension liability	195,000	166,000
Current service cost *	934,000	778,000
Past service cost ^	84,000	-
Absorption of pension scheme liabilities on conversion	1,017,000	495,000

* Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period. This is based on the employer's "service cost" rate which accounts for the cost of the employer of benefits accruing over the period calculated on the financial assumptions at the beginning of the accounting period. This may differ from what the employer is currently paying in cash contributions based on the certified rates at the last formal valuation.

^ Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting from a plan amendment (the introduction or withdrawal of, or changes to, a defined benefit plan) or a curtailment (a significant reduction by the entity in the number of employees covered by the plan)

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Central services

PDET has provided the following central services to its academies during the year:

- Education Support
- Estates
- Training
- Finance
- Accountancy
- HR & payroll services
- Legal support
- Safeguarding support
- Health & Safety support
- Procurement
- Pupil enrichment activities
- Diocesan SLA
- Data protection / GDPR
- Governance

PDET charges for these services on the following basis:

- flat 5% of GAG

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Central services

(Continued)

The amounts charged during the year were as follows:

	2019 £	2018 £
Barby	25,454	24,809
Braunston	35,483	36,347
Collingtree	30,060	35,512
Cottingham	26,277	26,966
Cranford	20,889	20,809
Easton Garford	-	10,872
Great Addington	21,296	21,678
Greens Norton	26,689	26,042
Isham	20,934	20,589
Loddington	22,313	23,251
Mears Ashby	17,682	18,198
Milton	20,677	20,872
Pytchley	22,519	20,792
Ringstead	22,381	23,823
Ryhall	32,440	29,483
St Andrews	61,550	58,093
St Barnabas	33,749	33,727
St James	86,066	86,473
St Luke's	70,695	69,722
Staverton	22,290	21,198
Towcester	60,582	56,627
Weldon	36,318	36,850
Head office	-	-
Silverstone	38,479	26,516
Guilsborough	29,359	16,339
Welford, Sibbertoft & Sulby	19,998	20,541
Blakesley	12,858	-
Kislingbury	28,679	-
Oundle	51,330	-
St Mary's	60,887	-
Spratton	16,775	-
Trinity	16,548	-
	<u>991,257</u>	<u>786,129</u>

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Direct costs				
Educational operations	167,275	18,538,749	18,706,024	14,472,596
Support costs				
Educational operations	355,472	7,804,778	8,160,250	6,152,877
	<u>522,747</u>	<u>26,343,527</u>	<u>26,866,274</u>	<u>20,625,473</u>

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Charitable activities	(Continued)	
Analysis of costs	2019	2018
	£	£
Direct costs		
Teaching and educational support staff costs	16,178,975	12,621,479
Staff development	12,642	33,131
Technology costs	280,315	194,135
Educational supplies and services	706,901	467,424
Other direct costs	1,527,191	1,156,427
	<u>18,706,024</u>	<u>14,472,596</u>
Support costs		
Support staff costs	4,217,387	3,130,604
Depreciation	343,267	274,918
Technology costs	237,166	197,456
Recruitment and support	671,003	431,671
Maintenance of premises and equipment	449,878	380,837
Cleaning	291,365	186,945
Energy costs	367,030	201,374
Rent, rates and other occupancy costs	110,371	91,909
Insurance	135,238	107,616
Security and transport	61,733	51,138
Catering	75,461	46,337
Finance costs	195,000	166,000
Other support costs	897,611	783,195
Governance costs	107,740	102,877
	<u>8,160,250</u>	<u>6,152,877</u>
10 Staff		
Staff costs		
Staff costs during the year were:		
	2019	2018
	£	£
Wages and salaries	16,419,616	12,676,542
Pension costs	3,689,921	2,857,679
Staff costs	<u>20,109,537</u>	<u>15,534,221</u>
Agency staff costs	266,664	202,496
Staff development and other staff costs	32,803	48,497
Total staff expenditure	<u>20,409,004</u>	<u>15,785,214</u>

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff

(Continued)

Staff numbers

The average number of persons, by head count, employed by the Academy Trust during the year was as follows:

	2019 Number	2018 Number
Teachers	309	252
Administration and support	555	446
Management	4	4
	<u>868</u>	<u>702</u>

Higher paid staff

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

	2019 Number	2018 Number
£60,000 - £70,000	9	8
£70,001 - £80,000	3	-
£80,001 - £90,000	1	-
	<u>13</u>	<u>8</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £33,192 (2018: £nil).

Key management personnel

The key management personnel of the Academy Trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £232,141 (2018: £195,278).

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

11 Directors' remuneration and expenses

One or more of the Directors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Headteacher and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their services as Directors.

The value of Directors' remuneration and other benefits was as follows:

Mrs H Buckley (Director) (Resigned 24 April 2019)

- Remuneration £5,000 - £10,000 (2018: £10,000-£15,000)
- Employer's pension contributions £0,000 - £5,000 (2018: £0,000-£5,000)

Mr D Mills (Director)

- Remuneration £80,000 - £90,000 (2018: £50,000-£60,000)
- Employer's pension contributions £15,000 - £20,000 (2018: £10,000-£15,000)

During the year, travel and subsistence payments totalling £2,307 (2018: £2,095) was reimbursed or paid directly to one individual.

Other related party transactions involving the Directors are set out within the related parties note.

12 Directors 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 Governors from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business, and provides cover up to £10,000,000. Under the scheme rules a Governor is defined as "Any member of an Academy Trust, a Director/Trustee of an Academy Trust, or a person who sits on a local governing body (a committee established for an Academy by the Academy Trust in accordance with its Articles)." It is not possible to quantify the Governors indemnity element from the overall cost of the RPA scheme.

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

13 Tangible fixed assets

	Leasehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2018	1,042,328	462,239	687,853	26,460	2,218,880
Transfer on conversion	33,000	7,000	45,000	-	85,000
Additions	231,124	101,199	87,213	-	419,536
Disposals	(21,347)	(2,910)	-	-	(24,257)
At 31 August 2019	1,285,105	567,528	820,066	26,460	2,699,159
Depreciation					
At 1 September 2018	60,355	225,582	183,897	14,019	483,853
On disposals	(839)	(1,460)	-	-	(2,299)
Charge for the year	36,486	147,386	153,459	5,936	343,267
At 31 August 2019	96,002	371,508	337,356	19,955	824,821
Net book value					
At 31 August 2019	1,189,103	196,020	482,710	6,505	1,874,338
At 31 August 2018	981,973	236,657	503,956	12,441	1,735,027

The Diocese of Peterborough retains the ultimate ownership of some of the land and buildings but the Local Authority retains ownership of the playing fields. Some of the Academies land and buildings are owned by other external trusts.

14 Debtors

	2019 £	2018 £
Trade debtors	26,277	44,723
VAT recoverable	324,698	120,152
Other debtors	21,554	500
Prepayments and accrued income	640,379	422,116
	1,012,908	587,491

15 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	402,913	216,140
Other taxation and social security	296,066	239,271
Other creditors	1,268	2,841
Accruals and deferred income	872,619	587,017
	1,572,866	1,045,269

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16	Deferred income	2019 £	2018 £
	Deferred income is included within:		
	Creditors due within one year	567,728	398,294
	Deferred income at 1 September 2018	398,294	410,786
	Released from previous years	(398,294)	(410,786)
	Resources deferred in the year	567,728	398,294
	Deferred income at 31 August 2019	567,728	398,294

Included in deferred income is the money received for the UIFSM grant for 2019-20 academic year.

17	Funds	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
	Restricted general funds					
	General Annual Grant (GAG)	-	19,966,231	(19,966,231)	-	-
	Start up grants	61,551	25,000	(86,551)	-	-
	Other DfE / ESFA grants	198,095	2,879,215	(2,870,941)	-	206,369
	Other government grants	14,153	643,592	(643,592)	-	14,153
	Other restricted funds	-	669,684	(669,684)	-	-
	Pension reserve	(5,863,000)	(1,017,000)	(1,213,000)	(3,193,000)	(11,286,000)
		<u>(5,589,201)</u>	<u>23,166,722</u>	<u>(25,449,999)</u>	<u>(3,193,000)</u>	<u>(11,065,478)</u>
	Restricted fixed asset funds					
	DfE group capital grants	640,992	1,028,480	(526,390)	(273,532)	869,550
	Capital expenditure from GAG	1,735,027	-	(367,138)	506,449	1,874,338
		<u>2,376,019</u>	<u>1,028,480</u>	<u>(893,528)</u>	<u>232,917</u>	<u>2,743,888</u>
	Total restricted funds	<u>(3,213,182)</u>	<u>24,195,202</u>	<u>(26,343,527)</u>	<u>(2,960,083)</u>	<u>(8,321,590)</u>
	Unrestricted funds					
	General funds	<u>2,732,206</u>	<u>1,660,501</u>	<u>(522,747)</u>	<u>(232,917)</u>	<u>3,637,043</u>
	Total funds	<u>(480,976)</u>	<u>25,855,703</u>	<u>(26,866,274)</u>	<u>(3,193,000)</u>	<u>(4,684,547)</u>

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

(Continued)

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

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

Restricted funds comprise all other restricted funds received and include grants from the Department for Education, Local Authorities and the sponsor.

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

Under the funding agreement with the Secretary of State, PDET was not subject to a limit on the amount of GAG that it could carry forward at the year end,

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	11,874	15,810,777	(15,822,651)	-	-
Start up grants	-	125,000	(63,449)	-	61,551
Other DfE / ESFA grants	-	2,141,990	(1,943,895)	-	198,095
Other government grants	-	529,868	(504,023)	(11,692)	14,153
Other restricted funds	-	556,339	(556,339)	-	-
Pension reserve	(5,691,000)	(495,000)	(944,000)	1,267,000	(5,863,000)
	<u>(5,679,126)</u>	<u>18,668,974</u>	<u>(19,834,357)</u>	<u>1,255,308</u>	<u>(5,589,201)</u>
Restricted fixed asset funds					
DfE group capital grants	-	640,992	-	-	640,992
Other capital funding	-	20,000	-	(20,000)	-
Capital expenditure from grants and other funds	1,353,602	-	(274,918)	656,343	1,735,027
	<u>1,353,602</u>	<u>660,992</u>	<u>(274,918)</u>	<u>636,343</u>	<u>2,376,019</u>
Total restricted funds	<u>(4,325,524)</u>	<u>19,329,966</u>	<u>(20,109,275)</u>	<u>1,891,651</u>	<u>(3,213,182)</u>
Unrestricted funds					
General funds	<u>2,779,453</u>	<u>1,093,602</u>	<u>(516,198)</u>	<u>(624,651)</u>	<u>2,732,206</u>
Total funds	<u>(1,546,071)</u>	<u>20,423,568</u>	<u>(20,625,473)</u>	<u>1,267,000</u>	<u>(480,976)</u>

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

(Continued)

Total funds analysis by academy

	2019	2018
	£	£
Fund balances at 31 August 2019 were allocated as follows:		
Barby	109,315	82,272
Braunston	187,285	226,935
Collingtree	113,935	100,027
Cottingham	117,515	77,140
Cranford	27,588	78,096
Easton Garford	-	157,046
Great Addington	27,939	19,720
Greens Norton	57,496	103,605
Isham	39,619	27,975
Loddington	84,273	98,920
Mears Ashby	121,222	68,414
Milton	42,327	(2,110)
Pytchley	6,500	60,439
Ringstead	83,277	41,082
Ryhall	21,644	11,033
St Andrews	283,795	243,619
St Barnabas	228,408	235,165
St James	286,093	314,066
St Luke's	167,922	174,863
Staverton	24,608	21,193
Towcester	4,076	(6,377)
Weldon	50,986	7,988
Head office	577,895	277,978
Silverstone	408,946	490,027
Guilsborough	32,760	33,165
Welford, Sibbertoft & Sulby	66,065	63,724
Blakesley	54,378	-
Kislingbury	102,280	-
Oundle	271,979	-
St Mary's	66,043	-
Spratton	61,401	-
Trinity	129,995	-
Total before fixed assets fund and pension reserve	3,857,565	3,006,005
Restricted fixed asset fund	2,743,888	2,376,019
Pension reserve	(11,286,000)	(5,863,000)
Total funds	(4,684,547)	(480,976)

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2019	Total 2018
	£	£	£	£	£	£
Barby	370,311	64,686	39,506	97,273	571,776	582,460
Braunston	603,830	95,161	45,195	148,523	892,709	848,276
Collingtree	434,515	73,064	79,484	96,830	683,893	819,719
Cottingham	389,086	51,221	39,514	97,098	576,919	587,362
Cranford	356,909	58,939	54,878	80,218	550,944	475,692
Easton Garford	-	3,593	324	21,147	25,064	124,804
Great Addington	349,914	43,500	40,327	61,161	494,902	487,144
Greens Norton	446,393	86,359	42,766	86,906	662,424	602,069
Isham	314,402	60,897	30,281	71,193	476,773	454,919
Loddington	364,576	62,828	49,059	80,670	557,133	556,382
Mears Ashby	236,431	48,934	41,622	47,128	374,115	408,039
Milton	308,705	43,034	32,795	83,777	468,311	426,979
Pytchley	406,981	71,384	48,447	90,891	617,703	539,471
Ringstead	301,123	64,958	40,521	62,772	469,374	529,005
Ryhall	516,772	72,126	39,247	121,496	749,641	709,474
St Andrews	982,725	224,518	92,965	203,278	1,503,486	1,478,370
St Barnabas	526,298	79,747	41,863	174,880	822,788	800,536
St James	1,636,965	337,944	123,982	246,375	2,345,266	2,341,255
St Luke's	1,092,599	134,453	69,012	334,821	1,630,885	1,492,961
Staverton	309,510	75,815	39,046	69,494	493,865	542,003
Towcester	995,451	146,517	122,717	145,236	1,409,921	1,317,800
Weldon	551,041	92,042	63,505	157,306	863,894	917,123
Head office	(44,551)	675,978	223,134	318,318	1,172,879	1,792,376
Silverstone	688,088	121,677	47,743	207,019	1,064,527	635,782
Guildborough	488,310	94,781	33,124	82,624	698,839	375,403
Welford, Sibbertoft & Sulby	301,481	40,709	39,979	80,487	462,656	505,151
Blakesley	208,893	31,389	14,837	34,377	289,496	-
Kislingbury	483,163	66,266	26,676	80,894	656,999	-
Oundle	814,690	157,718	97,418	230,752	1,300,578	-
St Mary's	825,027	191,163	176,558	217,048	1,409,796	-
Spratton	220,704	44,277	75,397	57,900	398,278	-
Trinity	236,420	37,716	29,965	60,839	364,940	-
	15,716,762	3,453,394	1,941,887	3,948,731	25,060,774	20,350,555

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	1,874,338	1,874,338
Current assets	3,637,043	1,793,388	869,550	6,299,981
Creditors falling due within one year	-	(1,572,866)	-	(1,572,866)
Defined benefit pension liability	-	(11,286,000)	-	(11,286,000)
Total net assets	3,637,043	(11,065,478)	2,743,888	(4,684,547)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	1,735,027	1,735,027
Current assets	2,732,206	1,319,068	640,992	4,692,266
Creditors falling due within one year	-	(1,045,269)	-	(1,045,269)
Defined benefit pension liability	-	(5,863,000)	-	(5,863,000)
Total net assets	2,732,206	(5,589,201)	2,376,019	(480,976)

19 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 Northamptonshire County Council and Rutland County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 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. 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 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education in March 2019.

The key elements of the valuation and subsequent consultation are:

- an increase in employer rates from 16.48% to 23.68% of pensionable pay (including a 0.08% employer administration charge)
- the rise in contribution delayed from 1 April to September 2019
- 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 £196,000 million giving a notional past service deficit of £22,100 million.
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%
- there will be funding from the DFE for the financial year 2019/20 to help maintained schools and academies meet the additional costs resulting from the scheme valuation. Funding for 20/21 onwards will be discussed as part of the next Spending review round.

The TPS valuation for 2016 determined an employer rate of 23.6%, which is payable from September 2019. The next valuation of the TPS will be at March 2020 and will be based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £2,059,134 (2018: £1,208,746).

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 a multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate Trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 22.6% for employers and for employees a sliding scale from 5.5% to 12.5%.

As described in note 25 the LGPS obligation relates to the employees of the Academy Trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

(Continued)

Total contributions made	2019 £	2018 £
Employer's contributions	1,222,000	882,000
Employees' contributions	311,000	227,000
Total contributions	1,533,000	1,109,000
Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	2.6	2.7
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.9	2.8

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

	2019 Years	2018 Years
Retiring today		
- Males	21.2	22.1
- Females	23.3	24.2
Retiring in 20 years		
- Males	22.3	23.9
- Females	24.7	26.1

The Academy Trust's share of the assets in the scheme

	2019 Fair value £	2018 Fair value £
Equities	6,500,000	4,425,000
Bonds	1,598,000	941,000
Cash	815,000	178,000
Property	186,000	485,000
Total market value of assets	9,099,000	6,029,000

The actual return on scheme assets was £525,000 (2018: £273,000).

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2019 £	2018 £
Current service cost	934,000	778,000
Past service cost	84,000	-
Interest cost	195,000	166,000
Total operating charge	<u>1,213,000</u>	<u>944,000</u>

Changes in the present value of defined benefit obligations

2019
£

At 1 September 2018	11,892,000
Obligations acquired on conversion	2,074,000
Current service cost	2,032,000
Interest cost	422,000
Employee contributions	408,000
Actuarial loss/(gain)	3,491,000
Benefits paid	(18,000)
Past service cost	84,000
At 31 August 2019	<u>20,385,000</u>

Changes in the fair value of the Academy Trust's share of scheme assets

2019
£

At 1 September 2018	6,029,000
Assets acquired on conversion	1,057,000
Interest income	227,000
Actuarial gain	298,000
Employer contributions	1,222,000
Employee contributions	311,000
Benefits paid	(45,000)
At 31 August 2019	<u>9,099,000</u>

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Reconciliation of net expenditure to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the reporting period (as per the statement of financial activities)	(1,010,571)	(201,905)
Adjusted for:		
Net deficit/(surplus) on conversion to academy	255,884	(88,838)
Net surplus on transfer of academy in the trust	(52,000)	-
Capital grants from DfE and other capital income	(938,480)	(660,992)
Investment income receivable	(7,281)	(1,859)
Defined benefit pension costs less contributions payable	1,018,000	778,000
Defined benefit pension scheme finance cost	195,000	166,000
Depreciation of tangible fixed assets	343,267	274,918
Decrease in stocks	-	2,752
(Increase)/decrease in debtors	(425,417)	390,183
Increase/(decrease) in creditors	527,597	(75,523)
Stocks, debtors and creditors transferred on conversion	21,000	583,838
Net cash (used in)/provided by operating activities	(73,001)	1,166,574

21 Commitments under operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	56,142	25,619
Amounts due in two and five years	42,995	37,130
	<u>99,137</u>	<u>62,749</u>

22 Capital commitments

	2019 £	2018 £
Expenditure contracted for but not provided in the accounts	386,528	-

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

23 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

Goods and services totalling the following amounts were purchased from related parties:

£82,103 (2018: £63,218) from Diocesan Board of Finance, in which Mr G Cracknell (Director), Mr P Cantley (Director), Bishop J Holbrook (Member) and Dr. R Whitaker (Member) have an interest. The nature of the transaction related to staff time and SLA recharges. There was no balance outstanding at the year end.

£5,725 (2018: £13,350) from University of Northampton, in which Bishop J Holbrook (Member), has an interest. The nature of the transaction was to provide SENCO award training. There was no balance outstanding at the year end.

£3,287 (2018: £1,287) from Scholastic Book Club, in which Mr G Cracknell (Director) has an interest. The nature of the transaction was to provide computer lessons. There was no balance outstanding at the year end.

£335 from Geographical Association, in which, in which Mr G Cracknell (Director) has an interest. The nature of the transaction was to provide lessons. There was no balance outstanding at the year end.

£40 from Monksmoor Primary, in which Bishop John Holbrook (Member) has an interest. The nature of the transaction related to recharges. There was no balance outstanding at the year end.

None of the parties identified above had any influence or any involvement in the procurement process in any way.

In entering into these transactions, the Academy Trust has complied with the requirements of the Academies Financial Handbook 2018.

24 Members' liability

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

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

25 Conversion to an academy

On the dates as shown, the 5 schools stated below converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Peterborough Diocese Education Trust from the Northamptonshire Local Authority 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 values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net [gain/loss] in the statement of financial activities as donations - transfer from local authority on conversion

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

Academy	Location	Date of conversion		
Blakesley	Towcester	1 February 2019		
Kislingbury	Kislingbury	1 September 2018		
Oundle	Oundle	1 December 2018		
Spratton	Spratton	1 September 2018		
Trinity	Kettering	1 February 2019		
Net assets transferred:				2019
				£
Cash				580,116
Pension scheme deficit				(836,000)
				<u>(255,884)</u>
				<u><u>(255,884)</u></u>
	Unrestricted Funds	Restricted funds:		Total
		General	Fixed asset	2019
Funds surplus/(deficit) transferred:	£	£	£	£
School private fund	580,116	-	-	580,116
LGPS pension funds	-	(836,000)	-	(836,000)
	<u>580,116</u>	<u>(836,000)</u>	<u>-</u>	<u>(255,884)</u>
	<u><u>580,116</u></u>	<u><u>(836,000)</u></u>	<u><u>-</u></u>	<u><u>(255,884)</u></u>

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

26 Transfer of existing academies into the Academy Trust

St Mary's Church of England Primary Academy

St Mary's Church of England Primary Academy joined the trust on 1 October 2018.

	Transfer in recognised £
Net assets acquired	
Freehold land and buildings	20,000
Leasehold land and buildings	13,000
Other tangible fixed assets	52,000
Debtors	40,000
Creditors	(19,000)
Cash and cash equivalents	127,000
Pension scheme	(181,000)
Total net assets	52,000

There were no fair value adjustments required to the values reported by the transferring trust.