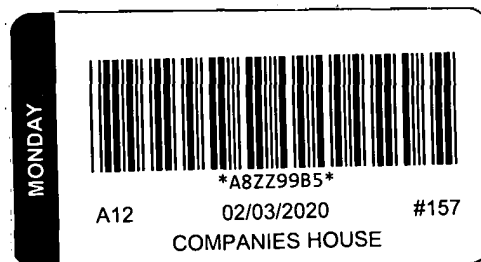


Company Registration No. 09896672 (England and Wales)

THEDWASTRE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019



THE DWASTRE EDUCATION TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 12
Governance statement	13 - 16
Statement on regularity, propriety and compliance	17
Statement of trustees' responsibilities	18
Independent auditor's report on the accounts	19 - 21
Independent reporting accountant's report on regularity	22 - 23
Statement of financial activities including income and expenditure account	24 - 25
Balance sheet	26
Statement of cash flows	27
Notes to the accounts including accounting policies	28 - 49

THEDWASTRE EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

M Myatt
G McDonald
St Edmundsbury & Ipswich Academies Umbrella Trust

Trustees

Rev'd M R Farrell
P Frost
R Gilbert
P Mackay (CEO) (Appointed 1 September 2018)
G McDonald (Chair of Trustees)
E Michie (Appointed 2 May 2019)
D Olney
E Yeldham (Appointed 2 May 2019)
N Horn (Resigned 4 December 2018)
A Tate (Resigned 31 August 2019)

Senior management team

- CEO
- Headteacher - Great Barton
- Headteacher - Woolpit
- Headteacher - Rattlesden
- Joint Headteacher - Thurston
- Joint Headteacher - Thurston

P Mackay (appointed 1 September 2018)
C Ratley
J Carlyle
H Ballam
K Lambert
J Bayes

Company registration number

09896672 (England and Wales)

Registered office

School Lane
Thurston
Bury St Edmunds
IP31 3RY

Academies operated

Great Barton C of E Primary Academy
Rattlesden C of E Primary Academy
Thurston C of E Primary Academy
Woolpit Primary Academy

Location

Great Barton
Rattlesden
Thurston
Woolpit

Headteacher

C Ratley
H Ballam
K Lambert & J Bayes
J Carlyle

Independent auditor

Baldwins Audit Services
Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

Bankers

Lloyds Bank
78-80 Cherry Hinton Road
Cambridge
CB1 7BH

THEDWASTRE EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Stone King LLP
Boundary House
91 Charterhouse Street
London
EC1M 6HR

THEDWASTRE EDUCATION TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees 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 Trustees confirm that the Annual Report and Financial Statements of the Trust comply with the current statutory requirements, the requirements of the Trust's governing documents and the Academies Accounts Direction 2018 to 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates four smaller than average Primary Academies in Suffolk and has a pupil capacity of 770 and had roll of 675 in the school census of October 2018.

Structure, governance and management

Constitution

Thedwastre Education Trust includes the following Academies:

- Great Barton C of E Primary Academy
- Thurston C of E Primary Academy
- Rattlesden C of E Primary Academy
- Woolpit Primary Academy

The Trust was incorporated on 1 December 2015, it is a company limited by guarantee and an exempt charity. All four schools transferred to an Academy Trust Structure on 1 January 2016.

The Trust's Memorandum and Articles of Association are the primary governing documents. The Trustees of Thedwastre Education Trust are also the directors of the charitable company for the purposes of company law.

The principal objects of the Trust are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum.

The operation of The Trust's Academies and employment of staff are the responsibility of the Trustees. The Trust retains control of Academy budgets and finances, and monitors these through its Finance Committee. Each Academy has appointed Local Governing Bodies (LGBs) who have delegated authority to administer their Academy within agreed budgets.

Within this Report the term *Trustee* refers to a member of the Board of Directors and the term *Governor* to a member of a Local Governing Body. Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

Members' liability

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

Trustees' indemnities

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

THE DWASTRE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Method of recruitment and appointment or election of trustees

The management of the Trust is the responsibility of the Trustees who are co-opted under the terms of the Articles of Association. The St Edmundsbury and Ipswich Academies Umbrella Trust is entitled to appoint two Trustees and each Academy Local Governing Body is entitled to nominate one Trustee who is appointed by the Members.

Directors' skills and areas of expertise are reviewed regularly; before new directors are appointed to the Board, their skills and areas of expertise are carefully considered to ensure that the Board has the required skill set overall to fulfil its duties.

Trustees are appointed for a fixed term of four years. The Chief Executive Officer (CEO) is an ex officio member of the Board of Directors. Other Trustees are appointed by the Board or Members of the Trust as appropriate. The Articles of Association make provision for 10 Trustees plus the CEO.

Policies and procedures adopted for the induction and training of trustees

The training and induction of new Trustees will depend on their existing experience. Newly appointed Trustees are contacted in writing by the chair to welcome them and to affirm expectations. All new Trustees will be offered a tour of the academies to meet staff and pupils. All Trustees are introduced to the policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role. As there is expected to be low turnover of Trustees, induction will be carried out informally and will be tailored specifically to the individual.

Organisational structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department for Education.

The Trust was set up with a management structure to support the delivery of high-quality education. The structure consists of two levels: The Board of Directors is responsible for the strategic direction of the Trust and the Leadership Group that is responsible for the day-to-day running of the academies. In addition, each academy has a Local Governing Body (LGB) that acts as a committee of the Board of Directors and has delegated authority determined according to the Scheme of Delegation.

The Directors (who are Trustees) are responsible for setting strategic policy, adopting an annual plan and budget, monitoring the use of budgets and making major decisions about the direction of the Trust, capital expenditure, trust-wide contracts and senior staff appointments.

The Governors of each Local Governing Body are responsible for implementing Trust policy, ensuring the appropriateness of annual budgets and capital expenditure projects for their Academy and monitoring performance against that budget within authorised limits.

The Leadership Group consists of the Headteacher of each Academy and the Chief Executive. This Group are responsible for leading the Trust on a day-to-day basis, organising the teaching staff, facilities and pupils. The Leadership Group control the operation of the Trust at an executive level under the direction of the Chief Executive, implementing the policies laid down by the Directors and reporting back to them. The Leadership Group ensures that the work of individual academies and LGBs aligns with the strategic aims of the Trust as a whole.

The Headteacher of each Academy, with the support of senior staff, is responsible for implementing policies and reporting to the LGB, and for the day-to-day operation of the Academy, in particular organising staff, resources and pupils. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safer recruitment processes.

The Chief Executive Officer acts as the Chair of the Leadership Group and the Accounting Officer and has ultimate accountability for the performance of the academies.

THE DWASTRE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Except for the Chief Executive Officer, Trustees receive no remuneration from the Trust.

The Trust applies the guidance of the School Teachers Pay and Conditions Document to all leadership roles. The remuneration for Headteachers is recommended by the Headteacher's Performance Management Committee of the Local Governing Body of the Academy for which they are responsible based on their achievement of the objectives set for them during the year. Each Headteacher's Performance Management Committee is advised by an external adviser appointed by the Trust in conjunction with the Chief Executive Officer. The salary point (Headteacher Pay and Conditions) for the responsibilities of the Chief Executive Officer is determined by the Trust Board based on the overall number of pupils in the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the Academy group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration is advised by the HR Committee and approved by the Board of Directors.

Trade union facility time

The trust has no trade union officials that require trade union facility time.

Related parties and other connected charities and organisations

Owing to the nature of the Trust's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which members of the Board of Directors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust cooperated with the following organisations during the academic year in pursuit of its charitable activities:

- Thurston Partnership School Company. Individual academies are Members of the Thurston Partnership School Company (company number 08318298), a dormant company.
- CASSA. Our academies are strategic partners of the Cambridge and Suffolk Schools Alliance, a teaching schools alliance that offers continuous professional development, teacher training, school-to-school support and access to range of other professional support services.

The Trust does not have a formal sponsor.

THEDWASTRE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities

Objects and aims

The principal object and aim of Thedwastre Education Trust is the operation of a number of Academies to provide free education and care for pupils of different abilities within its local community between the ages of 4 and 11.

The Trust aims to provide the best possible education for all the children in its care by providing a structure of school-to-school support and challenge. We wish to develop our children as rounded individuals who leave the schools well prepared for the next stage of their education – a broad and balanced education is an essential part of this aim.

We have continued our work to establish Thedwastre Education Trust on a firm basis, developing sustainable structures and processes that allow the Trust to harness the talents of all the staff within the academies to work towards achieving our aims.

Objectives, strategies and activities

During 2018-19 the Board and the Leadership Group met several times to further refine the Trust's strategy. The renewed strategy is set out below:

Vison

We are a community of schools striving for excellence for our pupils, staff and communities, providing a broad and balanced education which enables all to reach their full potential.

Our Values

We value every child, parent, volunteer and employee; we aim to ensure all are respected and children show respect to one another; learning to work collaboratively with their peers for mutual benefit. We have high aspirations for all pupils, staff and the communities we serve.

Our core values are:

Inclusive

Respect

Collaborative

Aspiration

Our Priorities

Over the next 3 years we will focus on the following objectives:

1. Education – outcomes, school performance, school improvement

- All our schools will be judged as good or outstanding, providing an excellent education
- Our schools will have a strong sense of identity whilst working collaboratively as part of the Trust
- Our child centred approach will ensure outcomes including progress measures will be consistently above national average
- We will establish a clear school improvement strategy and develop the capacity to have a real impact on schools in greatest need
- Teaching in all our schools will be recognised as being consistently good or better
- We will prepare children for life through a creative, broad and balanced curriculum, utilising shared best practice where this is beneficial to our pupils

THE DWASTRE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2. Growth

- We aim to welcome at least three new schools to join the Trust as Academy converters
- We will become a DfE Sponsor and develop capacity to take on schools in significant need
- Our central service functions will enable us to grow through greater economies of scale, efficient and cost effective systems
- We will develop a positive reputation for school improvement

3. Enablers:

Effective Governance, including risk management

- We will regularly review governance at all levels to ensure it is robust, appropriate and fit for purpose, modelling recognised best practice

Finance and Administration

- We will work to achieve an annual surplus across the Trust to enable us to reinvest in our schools and take informed risks
- We will develop an effective central services team to support our schools so that they can focus on providing an exceptional education for our pupils

Estates and Facilities

- Our facilities, including technology, will support our ambitious curriculum plans and support school improvement
- Our schools willingly share resources where this adds value to the curriculum
- Our school premises will be well maintained with support from the central services team

4. Effective and timely communications

- We will ensure our communications are effective with regular updates to all our stakeholders at both a School and Trust level

5. People

- Our staff will recommend working for TET as evidenced by our Net Promoter Score collected annually through our staff survey
- We will develop an annual Trust wide CPD programme that supports all our staff to achieve their potential, complimenting in-school CPD
- Our leaders will support colleagues across the Trust and willingly share best practice for the benefit of all

Our strategy will be reviewed and updated annually and supported by an annual plan to ensure we keep on track. Our progress against this strategy will be published as part of our annual report.

Public benefit

The Trustees believe that by working towards the objects and aims of the Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

THEDWASTRE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report

Achievements and performance

It has been pleasing to see improvements in outcomes this year; new strategies have started to show impact across the Trust. Staff have been supported to raise attainment in English and maths in particular, through the Talk for Writing approach and further roll-out of Maths Mastery. Further developments have included the following:

- Regular MAT moderation has taken place across Reading, Writing and Maths to enable the sharing of best practice and ideas. This has supported the greater cross-Academy working of the respective Subject Leads.
- Established subject leadership across the Trust with each Headteacher taking responsibility for the development of key subject areas.

Key performance indicators

Ofsted outcomes

Great Barton – 1 – January 2009

Thurston – 2 – November 2018

Rattlesden – 2 – October 2018

Woolpit – 3 – November 2018

Great Barton also had it's SIAMS Inspection in July 2019 which resulted in a Good overall assessment.

Early Years/ Year 1 and 2 Phonics

	Early Years Good Level of Development	Year 1 Phonics screening	Year 2 Phonics screening
Great Barton	84%	63%	94%
Rattlesden	73%	88%	100%
Thurston	83%	82%	94%
Woolpit	74%	59%	
National	71%	83%	92%

All schools achieved outcomes above national in Early Years with significant improvements at Rattlesden. Rattlesden and Thurston reported outcomes above national for phonics in year 1 and all schools with the exception of Woolpit recorded outcomes in phonics in year 2 above national. Good progress is now being made to address the shortfalls against national in all schools. Further investment is being implemented at Woolpit to address the teaching of Phonics to ensure all pupils make the appropriate level of progress.

Key Stage One (Year 2) teacher assessments (% at expected or above):

	Reading	Writing	Maths
Great Barton (30 pupils, 1 disadvantaged)	80%	73%	80%
Rattlesden (10 pupils, 1 disadvantaged)	40%	40%	50%
Thurston (31 pupils)	71%	71%	74%
Woolpit (26 pupils, 7 disadvantaged)	69%	65%	62%
National	75%	68%	77%

Outcomes at Key Stage 1 are generally improving although the particular cohort of pupils at Rattlesden means that these children are below expectations. Further focus will be applied to support these children as they move through the school to ensure that they achieve expected progress by the end of Key Stage 2. The high number of disadvantaged pupils at Woolpit makes this a particularly challenging school but we continue to focus on ensuring all children make good levels of progress from their starting positions.

THEDWASTRE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Key Stage 2 (Year 6) outcomes

School	Reading	Writing	Maths
Great Barton (29 pupils, 2 disadvantaged)	83%	86%	86%
Rattlesden (16 pupils, 6 disadvantaged)	88%	81%	94%
Thurston (29 pupils, 3 disadvantaged)	72%	79%	79%
Woolpit (20 pupils, 12 disadvantage)	50%	30%	40%
National	73%	78%	79%

Outcomes at Key Stage 2 continue to improve in three of the four Trust schools with significant year on year improvements at Rattlesden. Unfortunately, the combination of a high number of disadvantaged pupils at Woolpit and an unsettled period within the school provides a more challenging situation than in many other settings. The Trust has taken advantage of additional support being offered by the DfE to ensure that all teaching is improved and pupil's progress is accelerated.

Financial Key Performance Indicators

The financial KPIs for the period were as follows;

Staff costs as a % of income	73%	(2018 - 77%)
GAG income as % of total income	77%	(2018 - 80%)
Closing cash balances as % of total income	15%	(2018 - 11%)
Current assets vs current liabilities	2.85 : 1	(2018 - 2.94 : 1)

Going concern

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

THEDWASTRE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Financial review

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education Funding and Skills Agency (EFSA). For the year ended 31 August 2019 the Trust received £2,936,137 (2018 - £2,828,538) of GAG and other funding. A high percentage of this income is spent on staff salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £3,410,139 (2018 - £3,308,205) on expenditure and transferred £13,041 (2018 - £30,196) to support capital projects on the various academy sites. The Trust brought forward from 2017/18 £40,108 (2018 - £458) restricted funds and £239,945 (2018 - £337,396) unrestricted funding. The carry forward for 18/19 is £53,349 restricted funding and £296,517 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £886,000 (2018 - £518,000). This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

At the end of 2018/19, all academies within the Trust had positive balances. Balanced budgets for 2019-20 were achieved due to very careful management of costs. We are aware that we must seek further reductions to avoid in-year deficits for future years. The Board reviews financial management information at each meeting to ensure that plans to reduce expenditure are being implemented to bring cost in line with income over a 3 year period.

Funding has been used to support key development priorities in each academy, the additional costs associated with providing support for pupils with SEND, and staff training in key areas.

Reserves policy

The Trust held fund balances as at 31 August 2019 of £2,138,924 (2018 - £2,455,490) comprising of the pension deficit of £886,000 (2018 - £518,000), the restricted fixed asset fund of £2,675,058 (2018 - £2,693,437), restricted funds of £53,349 (2018 - £40,108) and unrestricted reserves of £296,517 (2018 - £239,945).

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the receipt of management accounts. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose. The Trust maintains a medium-term financial forecast which shows how end year reported reserves will be utilised for each academy. The Trust reviews the forecasts and actual results closely to ensure that the Trust continues for the foreseeable future and can react to unforeseen budget changes.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £495,859 (2018 - £335,994).

Investment policy

During this period, the Trust has held all its funds in an interest-bearing accounts and made no investments.

THE DWASTRE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Principal risks and uncertainties

The Trust maintains a Risk Register identifying the major risks, to which each Academy is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the Board with a formal review undertaken three times a year as a minimum. The internal control systems and the exposure to identified risks are monitored on behalf of the Trustees at each Finance Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academies at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the EFSA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a group of academy schools, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity absence.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- each Academy within the Trust has considerable reliance on continued Government funding through the EFSA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the individual Academies is dependent on continuing to attract pupils in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that pupil progress and outcomes are closely monitored and reviewed by LGBs and the Standards Committee in particular;
- safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- staffing - the success of the Academies is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - The Trust appointed an external company to carry out independent and external checks on financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments - the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability - as the Government has agreed to meet the defined benefit pension liability of any Academy ceasing to exist the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust and each Academy have continued to strengthen the risk management process throughout the year by improving the process and ensuring staff awareness.

Fundraising

The Trust is compliant with the recognised standards of fundraising set out in the Code of Fundraising Practice. Thedwastre Education Trust does not use professional fundraisers and there have been no complaints received by the Trust about fund raising activities carried out by the Trust in the year.

THEDWASTRE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Plans for future periods

Ensure School Improvement is the focus of all senior leaders within the Trust

- Implement the new Trust strategy focusing on school improvement, pupil outcomes and growth of the Trust;
- Review the Governance Structure to ensure efficiency to make best use of the skills of the individuals and ensure they are trained appropriately;
- Identify further cost savings and efficiency improvements to allow greater focus on our key goal of school improvement;
- Continue to be outward looking in our work, developing links with outside organisations to support teaching and learning;
- Further review expenditure, procure cost-effective services and resources to ensure viability and best value for pupils;
- Support all staff effectively to encourage high staff retention and development within the MAT;
- Continue to develop our ability to provide effective CPD within and beyond the organisation, thereby improving our own expertise;
- Maintain and develop effective systems of support for pupils with SEND, mental health concerns and behavioural concerns so that every child thrives and achieves; and
- Ensure that we continue to provide mechanisms for effective sharing of good practice at every level throughout the Trust.

The Trust's mission remains to ensure that pupils achieve as well as possible in public examinations, but also in their enjoyment of learning and their personal and social skills. Each academy provides a wide range of extra-curricular activities and supports Year 6 pupils in the transition to secondary education through a planned programme of activities in partnership with others.

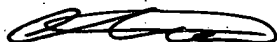
Auditor

In so far as the trustees are aware:

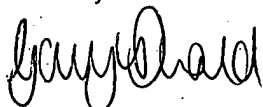
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Baldwins Audit Services was appointed auditor to the charitable company. A resolution proposing re-appointment will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 03 December 2019 and signed on its behalf by:



P Mackay
CEO



G McDonald
Chair of Trustees

THEDWASTRE EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met four times during the year, in addition to several other informal meetings. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Rev'd M R Farrell	4	4
P Frost	3	4
R Gilbert	4	4
P Mackay (CEO) (Appointed 1 September 2018)	4	4
G McDonald (Chair of Trustees)	4	4
E Michie (Appointed 2 May 2019)	1	1
D Olney	4	4
E Yeldham (Appointed 2 May 2019)	1	1
N Horn (Resigned 4 December 2018)	1	1
A Tate (Resigned 31 August 2019)	1	4

Liz Michie joined as Trustee through Academy Ambassadors during the year and Edward Yeldham was appointed directly by the Board having previously been a member of an LGB; both have already had a positive impact. Both new Directors joined the Board part way through the Academic year.

Governance reviews

The Trust has conducted its Annual Governance Review and has brought in external support in order to assist with the Financial Governance to ensure Regulatory requirements are met. In addition, an internal structure review is underway to consider how better to structure communication and terms of reference between the Local Governing Bodies, the Trust Committees and the Board.

The finance committee is a sub-committee of the main board of trustees. Its purpose is to address financial matters and monitor the trust's internal control framework and compliance with regulations also acting as the Audit Committee. In addition to fulfilling its routine responsibility the committee has also set the financial policies for the Trust and ensured compliance with the Academies Finance Handbook and other financial arrangements that academy trusts are required to adhere to, the Committee was also responsible for the appointment of the Trust's auditors.

THEDWASTRE EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
P Mackay (CEO) (Appointed 1 September 2018)	3	3
G McDonald (Chair of Trustees)	3	3
E Yeldham (Appointed 2 May 2019)	3	3
N Horn (Resigned 4 December 2018)	1	1
A Tate (Resigned 31 August 2019)	3	3

Review of value for money

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

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Reviewing its business function to ensure the effective operation of all finance and business functions;
- Changed grounds service provider to improve outcomes and value for money;
- Advised the Board of Directors to consider a top slice arrangement to provide increased central support and value for money to academies within the Trust;
- Organised some staff training and CPD activities centrally;
- Undertook a tender for the Trust's Absence Insurance providing improved value for money and a better range of services offered;
- Reviewed the Trust's energy contracts to ensure best value into the longer term;
- Pooled the capital funds available to the Academies to invest strategically over two years in the IT provision available within each Academy;
- Tendered the audit function and appointed a highly qualified and experienced audit team for the next period;
- Ensured that when photocopy contracts are up for renewal these are changed to the best value services; and
- Developed a further programme of tenders for the coming year to ensure all Academies within the Trust benefit from collective purchasing and economies of scale.

The Board of Directors have been robust in their challenge of spending and budget allocation to ensure that each academy was able to set a balanced budget for 2019-20.

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 Thedwastre Education Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts.

THE DWASTRE EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts. 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 monthly financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- monitoring key financial performance indicators;
- clearly defined purchasing procedures;
- 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 appointed an external company to perform this role. Their role includes giving advice on financial matters and performing a range of checks on each Academy's financial systems as directed by the Board. In particular the checks carried out in the period included a review of purchasing, income collection and payroll procedures. Some areas requiring improvement were noted and an action plan to address these has been prepared.

The Purpose of the System of Internal Controls

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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. This system of internal control has been in place in Thedwastre Education Trust from 1st September 2018 to 31 August 2019, and up to the date of approval of the annual report and financial statements.

Review of effectiveness

As accounting officer the Headteacher 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 company reviewing the fiscal management and governance arrangements;
- the work of the internal audit reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the senior Trust staff and budget holders within the academy trust who have responsibility for the development and maintenance of the internal control framework.

THEDWASTRE EDUCATION TRUST

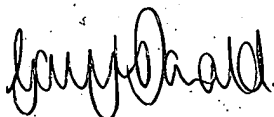
GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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

Approved by order of the board of trustees on 03 December 2019 and signed on its behalf by:



P Mackay
CEO



G McDonald
Chair of Trustees

THEDWASTRE EDUCATION TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of Thedwastre Education Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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



P Mackay
Accounting Officer

03 December 2019

THEDWASTRE EDUCATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees (who are also the directors of Thedwastre Education Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees 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 trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 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 trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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.

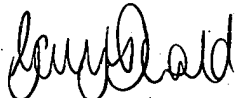
The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have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

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

Approved by order of the members of the board of trustees on 03 December 2019 and signed on its behalf by:



P Mackay
CEO



G McDonald
Chair of Trustees

THEDWASTRE EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THEDWASTRE EDUCATION TRUST

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the accounts of Thedwastre 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 trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees 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 trustees 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.

THEDWASTRE EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THEDWASTRE 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 trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' 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 trustees' 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees 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 trustees 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 trustees 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 trustees 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.

THEDWASTRE EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THEDWASTRE 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.



**Tracey Richardson BSc (Hons) FCA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services**

Statutory Auditor

6/12/19
.....

Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

THEDWASTRE EDUCATION TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THEDWASTRE 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 12 August 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Thedwastre 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 Thedwastre 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 Thedwastre 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 Thedwastre Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Thedwastre Education Trust's funding agreement with the Secretary of State for Education dated 23 December 2015 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.

The work undertaken to draw to our conclusion includes:

- a review of the activities of the academy, by reference to sources of income and other information available to us;
- sample testing of expenditure, including payroll;
- a review of minutes of Governors' meetings.

THEDWASTRE EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

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.



Reporting Accountant

Baldwins Audit Services
Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

Dated: 6/12/19

THE DWASTRE 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	13,071	3,577	151,588	168,236	45,869
Charitable activities:						
- Funding for educational operations	4	49,386	3,023,050	-	3,072,436	2,935,060
Other trading activities	5	126,986	9,625	-	136,611	128,584
Investments	6	290	-	-	290	505
Total		189,733	3,036,252	151,588	3,377,573	3,110,018
Expenditure on:						
Charitable activities:						
- Educational operations	9	133,161	3,107,011	169,967	3,410,139	3,308,205
Total	7	133,161	3,107,011	169,967	3,410,139	3,308,205
Net income/(expenditure)		56,572	(70,759)	(18,379)	(32,566)	(198,187)
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	23	-	(284,000)	-	(284,000)	128,000
Net movement in funds		56,572	(354,759)	(18,379)	(316,566)	(70,187)
Reconciliation of funds						
Total funds brought forward		239,945	(477,892)	2,693,437	2,455,490	2,525,677
Total funds carried forward		296,517	(832,651)	2,675,058	2,138,924	2,455,490

THEDWASTRE 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 Funds £	Restricted funds: General Fixed asset £ £		Total 2018 £
Income and endowments from:					
Donations and capital grants	3	16,751	5,490	23,628	45,869
Charitable activities:					
- Funding for educational operations	4	40,392	2,894,668	-	2,935,060
Other trading activities	5	128,584	-	-	128,584
Investments	6	505	-	-	505
Total		<u>186,232</u>	<u>2,900,158</u>	<u>23,628</u>	<u>3,110,018</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	4,557	3,226,634	77,014	3,308,205
Total	7	<u>4,557</u>	<u>3,226,634</u>	<u>77,014</u>	<u>3,308,205</u>
Net income/(expenditure)		181,675	(326,476)	(53,386)	(198,187)
Transfers between funds	21	(279,126)	279,126	-	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	23	-	128,000	-	128,000
Net movement in funds		(97,451)	80,650	(53,386)	(70,187)
Reconciliation of funds					
Total funds brought forward		337,396	(558,542)	2,746,823	2,525,677
Total funds carried forward		<u>239,945</u>	<u>(477,892)</u>	<u>2,693,437</u>	<u>2,455,490</u>

THEDWASTRE EDUCATION TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £	2018 £
Fixed assets			
Intangible assets	14	10,834	17,999
Tangible assets	15	2,615,951	2,671,695
		<u>2,626,785</u>	<u>2,689,694</u>
Current assets			
Stocks	17	-	1,009
Debtors	18	117,994	92,827
Cash at bank and in hand		495,859	335,994
		<u>613,853</u>	<u>429,830</u>
Current liabilities			
Creditors: amounts falling due within one year	19	(215,714)	(146,034)
Net current assets		<u>398,139</u>	<u>283,796</u>
Net assets excluding pension liability		<u>3,024,924</u>	<u>2,973,490</u>
Defined benefit pension scheme liability	23	(886,000)	(518,000)
Total net assets		<u>2,138,924</u>	<u>2,455,490</u>
Funds of the academy trust:			
Restricted funds	21		
- Fixed asset funds		2,675,058	2,693,437
- Restricted income funds		53,349	40,108
- Pension reserve		(886,000)	(518,000)
Total restricted funds		<u>1,842,407</u>	<u>2,215,545</u>
Unrestricted income funds	21	<u>296,517</u>	<u>239,945</u>
Total funds		<u>2,138,924</u>	<u>2,455,490</u>

The accounts on pages 24 to 49 were approved by the trustees and authorised for issue on 03 December 2019 and are signed on their behalf by:



P Mackay
CEO



G McDonald
Chair of Trustees

Company Number 09896672

THEDWASTRE EDUCATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	24		21,028		(57,627)
Cash flows from investing activities					
Dividends, interest and rents from investments		290		505	
Capital grants from DfE Group		151,588		-	
Capital funding received from sponsors and others		-		23,628	
Purchase of tangible fixed assets		(13,041)		(30,196)	
Net cash provided by/(used in) investing activities			138,837		(6,063)
Net increase/(decrease) in cash and cash equivalents in the reporting period			159,865		(63,690)
Cash and cash equivalents at beginning of the year			335,994		399,684
Cash and cash equivalents at end of the year			495,859		335,994

THEDWASTRE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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

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.

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

The accounts are prepared in sterling, which is the functional currency of the academy trust. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the 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 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the 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.

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.

THE DWASTRE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent; and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

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.

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

1.5 Intangible fixed assets and amortisation

Intangible assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Computer software	5 years straight line.
-------------------	------------------------

1.6 Tangible fixed assets and depreciation

Assets costing £2,000 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.

THE DWASTRE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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 property	Land not depreciated. Buildings 50 years straight line.
Computer equipment	5 years straight line.
Fixtures, fittings & equipment	10 years straight line.

A proportion of the land and buildings occupied by the Academy has been provided by site trustees under mere licence (also referred to as a Church Supplemental Agreement) which contains a two year notice period.

As the Academy Trust occupies the land and such buildings as may be or may come to be erected on it by a mere licence that transfers to the academy no rights or control over the site save that of occupying it at the will of the site trustees under the terms of the relevant site trust, the trustees have concluded that the value of any land and buildings occupied by the academy trust under a Church Supplemental Agreement will not be recognised on the balance sheet of the company.

In certain circumstances a two year Church Supplemental Agreement may give rise to an annual donation equal to the equivalent of rent not charged, an annual rental expense and a prepayment equal to the value of two years notional rent, if the value of rent not charged can be reliably measured. In this case of the aforementioned agreements it is the belief of the academy trust that the value of rent not charged cannot be reliably measured and as a result no amounts relating to the value of rent not charged have been recognised.

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 of 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.

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.

THEDWASTRE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.11 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

1.12 Pensions benefits

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

1.13 Fund accounting

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

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

THE DWASTRE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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

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.

Tangible fixed assets are recognised at cost or valuation, less accumulated depreciation and any impairment. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the academy's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

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 23, 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.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	151,588	151,588	23,628
Other donations	13,071	3,577	16,648	22,241
	<u>13,071</u>	<u>155,165</u>	<u>168,236</u>	<u>45,869</u>

THE DWASTRE 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)	-	2,587,808	2,587,808	2,503,495
Other DfE group grants	-	348,329	348,329	325,043
	-	2,936,137	2,936,137	2,828,538
Other government grants				
Local authority grants	-	86,913	86,913	66,130
Other funding				
Other incoming resources	49,386	-	49,386	40,392
Total funding	49,386	3,023,050	3,072,436	2,935,060

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Hire of facilities	2,118	-	2,118	2,613
Catering income	77,563	-	77,563	73,986
Supply teacher insurance income	-	9,625	9,625	-
Other income	47,305	-	47,305	51,985
	126,986	9,625	136,611	128,584

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Short term deposits	290	-	290	505

THEDWASTRE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2019 £	Total 2018 £
Academy's educational operations					
- Direct costs	2,139,360	-	299,123	2,438,483	2,611,840
- Allocated support costs	307,700	390,698	273,258	971,656	696,365
	<u>2,447,060</u>	<u>390,698</u>	<u>572,381</u>	<u>3,410,139</u>	<u>3,308,205</u>

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Fees payable to auditor for:		
- Audit	9,850	9,600
- Other services	2,179	2,000
Depreciation of tangible fixed assets	75,950	77,014
Net interest on defined benefit pension liability	16,000	14,000

8 Central services

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

- financial and support services.

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

- number of pupils attending each school.

The amounts charged during the year were as follows:

	2019 £	2018 £
Great Barton C of E Primary Academy	53,523	-
Rattlesden C of E Primary Academy	33,807	-
Thurston C of E Primary Academy	48,415	-
Woolpit Primary Academy	45,218	26,142
Great Barton CE Primary Academy	-	30,570
Rattlesden CE Primary Academy	-	18,160
Thurston CE Primary Academy	-	30,405
	<u>180,963</u>	<u>105,277</u>

THE DWASTRE 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	46,750	2,391,733	2,438,483	2,611,840
Support costs				
Educational operations	86,411	885,245	971,656	696,365
	<u>133,161</u>	<u>3,276,978</u>	<u>3,410,139</u>	<u>3,308,205</u>

Analysis of costs

	2019 £	2018 £
Direct costs		
Teaching and educational support staff costs	2,139,360	2,244,000
Staff development	13,309	-
Technology costs	34,091	-
Educational supplies and services	193,718	367,840
Other direct costs	58,005	-
	<u>2,438,483</u>	<u>2,611,840</u>
Support costs		
Support staff costs	308,979	162,605
Depreciation	75,950	77,014
Technology costs	-	52,941
Maintenance of premises and equipment	165,754	189,373
Rent, rates and other occupancy costs	148,994	-
Catering	173,936	-
Finance costs	16,000	14,000
Other support costs	11,527	188,832
Governance costs	70,516	11,600
	<u>971,656</u>	<u>696,365</u>

10 Governance costs

	Total 2019 £	Total 2018 £
All from restricted funds:		
Amounts included in support costs		
Legal and professional fees	58,487	-
Auditor's remuneration		
- Audit of financial statements	9,850	9,600
- Other audit costs	2,179	2,000
	<u>70,516</u>	<u>11,600</u>

THE DWASTRE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

11 Staff

Staff costs

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	2,242,171	2,163,339
Social security costs	130,923	128,443
Pension costs	68,000	73,000
Amounts paid to employees	2,441,094	2,364,782
Agency staff costs	2,966	41,823
Staff restructuring costs	3,000	-
Amounts paid to staff	2,447,060	2,406,605
Staff development and other staff costs	14,588	-
Total staff expenditure	2,461,648	2,406,605
Staff restructuring costs comprise:		
Severance payments	3,000	-

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-contractual severance payments totalling £3,000 (2018: £nil). Individually, the payments were £3,000 (2018: £nil).

Staff numbers

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

	2019 Number	2018 Number
Teachers	40	36
Administration and support	66	69
Management	6	9
	112	114

Higher paid staff

There were no employees whose annual remuneration was £60,000 or more.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £307,047 (2018: £302,312).

THEDWASTRE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

12 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Headteacher and other staff trustees 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 trustees.

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

P Mackay (CEO and trustee) - appointed 1 September 2018

Remuneration £30,001 - £35,000 (2018 - £nil)

Employer's pension contributions £5,001 - £10,000 (2018 - £nil)

S Rees (Headteacher, CEO and trustee) - resigned 31 August 2018

Remuneration £nil (2018 - £30,001 - £35,000)

Employer's pension contributions £nil (2018 - £0-£5,000)

During the year no expenses were reimbursed or paid directly to any of the trustees (2018: None).

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

13 Trustees and officers insurance

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

14 Intangible fixed assets

	Computer software £
Cost	
At 1 September 2018 and at 31 August 2019	35,827
Amortisation	
At 1 September 2018	17,828
Charge for year	7,165
At 31 August 2019	24,993
Carrying amount	
At 31 August 2019	10,834
At 31 August 2018	17,999

THE DWASTRE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

15 Tangible fixed assets

	Leasehold property	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2018	2,664,580	49,551	137,949	2,852,080
Additions	-	13,041	-	13,041
At 31 August 2019	2,664,580	62,592	137,949	2,865,121
Depreciation				
At 1 September 2018	119,104	30,364	30,917	180,385
Charge for the year	43,311	10,714	14,760	68,785
At 31 August 2019	162,415	41,078	45,677	249,170
Net book value				
At 31 August 2019	2,502,165	21,514	92,272	2,615,951
At 31 August 2018	2,545,476	19,187	107,032	2,671,695

A proportion of the land and buildings occupied by the Academy has been provided by site trustees under mere licence (also referred to as a Church Supplemental Agreement) which contains a two year notice period.

As the Academy Trust occupies the land and such buildings as may be or may come to be erected on it by a mere licence that transfers to the academy no rights or control over the site save that of occupying it at the will of the site trustees under the terms of the relevant site trust, the trustees have concluded that the value of any land and buildings occupied by the academy trust under a Church Supplemental Agreement will not be recognised on the balance sheet of the company.

16 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Trade debtors	1,818	610
Accrued income	51,260	27,358
Bank and cash	495,859	335,994
	<u>548,937</u>	<u>363,962</u>
Carrying amount of financial liabilities		
Trade creditors	31,403	14,249
Accruals	113,217	29,206
	<u>144,620</u>	<u>43,455</u>

THEDWASTRE EDUCATION TRUST

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

17	Stocks	2019	2018
		£	£
	Stock	-	1,009
18	Debtors	2019	2018
		£	£
	Trade debtors	1,818	610
	VAT recoverable	22,757	24,673
	Prepayments and accrued income	93,419	67,544
		117,994	92,827
19	Creditors: amounts falling due within one year	2019	2018
		£	£
	Trade creditors	31,403	14,249
	Other taxation and social security	-	33,769
	Accruals and deferred income	184,311	98,016
		215,714	146,034
20	Deferred income	2019	2018
		£	£
	Deferred income is included within:		
	Creditors due within one year	71,094	68,810
	Deferred income at 1 September 2018	68,810	63,222
	Released from previous years	(68,810)	(63,222)
	Resources deferred in the year	71,094	68,810
	Deferred income at 31 August 2019	71,094	68,810

At the balance sheet date the Academy Trust was holding funds received in advance of the 2019/20 financial year in respect of parental contributions to trips of £9,530 (2018 - £6,854), universal infant free school meals of £61,564 (2018 - £60,417) and other amounts totalling £nil (2018 - £1,539).

THE DWASTRE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

21 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	8,906	2,587,808	(2,596,714)	-	-
Other DfE / ESFA grants	31,202	348,329	(326,182)	-	53,349
Other government grants	-	86,913	(86,913)	-	-
Other restricted funds	-	13,202	(13,202)	-	-
Pension reserve	(518,000)	-	(84,000)	(284,000)	(886,000)
	<u>(477,892)</u>	<u>3,036,252</u>	<u>(3,107,011)</u>	<u>(284,000)</u>	<u>(832,651)</u>
Restricted fixed asset funds					
Inherited on conversion	2,609,960	-	(58,839)	-	2,551,121
DfE group capital grants	79,858	151,588	(110,661)	-	120,785
Donations for fixed assets	3,619	-	(467)	-	3,152
	<u>2,693,437</u>	<u>151,588</u>	<u>(169,967)</u>	<u>-</u>	<u>2,675,058</u>
Total restricted funds	<u>2,215,545</u>	<u>3,187,840</u>	<u>(3,276,978)</u>	<u>(284,000)</u>	<u>1,842,407</u>
Unrestricted funds					
General funds	<u>239,945</u>	<u>189,733</u>	<u>(133,161)</u>	<u>-</u>	<u>296,517</u>
Total funds	<u>2,455,490</u>	<u>3,377,573</u>	<u>(3,410,139)</u>	<u>(284,000)</u>	<u>2,138,924</u>

THE DWASTRE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

21 Funds

(Continued)

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

Restricted general funds and other restricted fixed funds

These relate to the Academy's development and operational activities. The restricted grant income in the year all relates to the provision of education for the students attending the academy.

Restricted fixed asset fund

Restricted fixed assets funds represent capital funding received from the ESFA and other sources. In accordance with the accounting policies set out in note 1, assets are capitalised where applicable, and depreciation is charged to this fund over the assets' useful economic life. Where costs are not capital in nature they are charged directly to this fund as an expense.

Pension reserve

The pension provision equates to the deficit on the Local Government Pension Scheme FRS102 valuation. 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.

Restriction on surplus GAG

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August.

THE DWASTRE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

21 Funds

(Continued)

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)	-	2,503,495	(2,773,715)	279,126	8,906
Other DfE / ESFA grants	-	325,043	(293,841)	-	31,202
Other government grants	-	66,130	(66,130)	-	-
Other restricted funds	458	5,490	(5,948)	-	-
Pension reserve	(559,000)	-	(87,000)	128,000	(518,000)
	<u>(558,542)</u>	<u>2,900,158</u>	<u>(3,226,634)</u>	<u>407,126</u>	<u>(477,892)</u>
Restricted fixed asset funds					
Transfer on conversion	2,658,217	-	(48,257)	-	2,609,960
DfE group capital grants	84,520	23,628	(28,290)	-	79,858
Donations for fixed assets	4,086	-	(467)	-	3,619
	<u>2,746,823</u>	<u>23,628</u>	<u>(77,014)</u>	<u>-</u>	<u>2,693,437</u>
Total restricted funds	<u>2,188,281</u>	<u>2,923,786</u>	<u>(3,303,648)</u>	<u>407,126</u>	<u>2,215,545</u>
Unrestricted funds					
General funds	<u>337,396</u>	<u>186,232</u>	<u>(4,557)</u>	<u>(279,126)</u>	<u>239,945</u>
Total funds	<u>2,525,677</u>	<u>3,110,018</u>	<u>(3,308,205)</u>	<u>128,000</u>	<u>2,455,490</u>

THEDWASTRE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

21 Funds

(Continued)

Total funds analysis by academy

	2019 £	2018 £
Fund balances at 31 August 2019 were allocated as follows:		
Great Barton C of E Primary Academy	73,042	-
Rattlesden C of E Primary Academy	105,223	-
Thurston C of E Primary Academy	81,110	-
Woolpit Primary Academy	52,049	53,167
Great Barton CE Primary Academy	-	49,206
Rattlesden CE Primary Academy	-	78,197
Thurston CE Primary Academy	-	47,234
Central services	38,442	52,249
Total before fixed assets fund and pension reserve	349,866	280,053
Restricted fixed asset fund	2,675,058	2,693,437
Pension reserve	(886,000)	(518,000)
Total funds	2,138,924	2,455,490

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 £
Great Barton C of E Primary Academy	557,882	80,894	57,978	128,054	824,808	-
Rattlesden C of E Primary Academy	389,315	44,832	35,215	90,870	560,232	-
Thurston C of E Primary Academy	600,323	46,239	43,712	124,044	814,318	-
Woolpit Primary Academy	554,363	51,762	43,746	112,016	761,887	772,671
Great Barton CE Primary Academy	-	-	-	-	-	839,439
Rattlesden CE Primary Academy	-	-	-	-	-	590,061
Thurston CE Primary Academy	-	-	-	-	-	838,342
Central services	37,477	83,973	13,067	238,427	372,944	190,676
	2,139,360	307,700	193,718	693,411	3,334,189	3,231,189

THEDWASTRE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

22 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Intangible fixed assets	-	-	10,834	10,834
Tangible fixed assets	-	-	2,615,951	2,615,951
Current assets	296,517	269,063	48,273	613,853
Creditors falling due within one year	-	(215,714)	-	(215,714)
Defined benefit pension liability	-	(886,000)	-	(886,000)
Total net assets	296,517	(832,651)	2,675,058	2,138,924

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Intangible fixed assets	-	-	17,999	17,999
Tangible fixed assets	-	-	2,671,695	2,671,695
Current assets	239,945	186,142	3,743	429,830
Creditors falling due within one year	-	(146,034)	-	(146,034)
Defined benefit pension liability	-	(518,000)	-	(518,000)
Total net assets	239,945	(477,892)	2,693,437	2,455,490

23 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Suffolk 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 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £nil (2018 - £nil) were payable to the schemes at 31 August 2019.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

THE DWASTRE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

23 Pension and similar obligations

(Continued)

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found on the Teachers' Pension Scheme website.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful.

The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to the TPS in the period amounted to £196,098 (2018: £203,872).

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 26% for employers and 5.5% - 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £134,000.

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.

THE DWASTRE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

23 Pension and similar obligations

(Continued)

Total contributions made	2019 £	2018 £
Employer's contributions	134,000	126,000
Employees' contributions	28,000	26,000
Total contributions	162,000	152,000
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	1.8	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	21.3	21.9
- Females	23.5	24.4
Retiring in 20 years		
- Males	22.3	23.9
- Females	24.9	26.4

Scheme liabilities would have been affected by changes in assumptions as follows:

	2019	2018
0.5% decrease in discount rate	268,000	186,000
0.5% increase in salary increase rate	27,000	23,000
0.5% increase in pension increase rate	236,000	161,000

Defined benefit pension scheme net liability

Scheme assets	1,142,000	936,000
Scheme obligations	(2,028,000)	(1,454,000)
Net liability	(886,000)	(518,000)

THEDWASTRE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

23 Pension and similar obligations

(Continued)

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

	2019 Fair value £	2018 Fair value £
Equities	571,000	580,000
Bonds	308,000	253,000
Property	251,000	94,000
Other assets	12,000	9,000
Total market value of assets	1,142,000	936,000

The actual return on scheme assets was £53,000 (2018: £40,000).

Amount recognised in the Statement of Financial Activities

	2019 £	2018 £
Current service cost	194,000	199,000
Past service cost	8,000	-
Interest income	(28,000)	(21,000)
Interest cost	44,000	35,000
Total operating charge	218,000	213,000

Changes in the present value of defined benefit obligations

	2019 £	2018 £
At 1 September 2018	1,454,000	1,310,000
Current service cost	194,000	199,000
Interest cost	44,000	35,000
Employee contributions	28,000	26,000
Actuarial loss/(gain)	309,000	(109,000)
Benefits paid	(9,000)	(7,000)
Past service cost	8,000	-
At 31 August 2019	2,028,000	1,454,000

THE DWASTRE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

23 Pension and similar obligations

(Continued)

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

	2019 £	2018 £
At 1 September 2018	936,000	751,000
Interest income	28,000	21,000
Actuarial gain	25,000	19,000
Employer contributions	134,000	126,000
Employee contributions	28,000	26,000
Benefits paid	(9,000)	(7,000)
At 31 August 2019	1,142,000	936,000

24 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)	(32,566)	(198,187)
Adjusted for:		
Capital grants from DfE and other capital income	(151,588)	(23,628)
Investment income receivable	(290)	(505)
Defined benefit pension costs less contributions payable	68,000	73,000
Defined benefit pension scheme finance cost	16,000	14,000
Depreciation of tangible fixed assets	75,950	77,014
Decrease/(increase) in stocks	1,009	(317)
(Increase)/decrease in debtors	(25,167)	877
Increase in creditors	69,680	119
Net cash provided by/(used in) operating activities	21,028	(57,627)

25 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	2,575	1,598
Amounts due in two and five years	5,087	2,970
	7,662	4,568

THEDWASTRE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

26 Related party transactions

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

Some of the governors have children who are pupils at the academy, consequently there will be transactions between those governors and the academy in respect of their children's education. These are on the same basis as other pupils at the academy.

A proportion of the land and buildings occupied by the Academy has been provided by site trustees under mere licence (also referred to as a Church Supplemental Agreement) which contains a two year notice period. The licence is held between the Academy Trust and the Boards of Finance and the Board of Education of the Diocese of St Edmundsbury and Ipswich.

Since no notice has been given, the Academy Trust has the right to occupy the premises for at least two years following the balance sheet date.

As the Academy Trust occupies the land and such buildings as may be or may come to be erected on it by a mere licence that transfers to the academy no rights or control over the site save that of occupying it at the will of the site trustees under the terms of the relevant site trust, the trustees have concluded that the value of any land and buildings occupied by the academy trust under a Church Supplemental Agreement will not be recognised on the balance sheet of the company.

In certain circumstances a two year Church Supplemental Agreement may give rise to an annual donation equal to the equivalent of rent not charged, an annual rental expense and a prepayment equal to the value of two years notional rent, if the value of rent not charged can be reliably measured. In this case of the aforementioned agreements it is the belief of the academy trust that the value of rent not charged cannot be reliably measured and as a result no amounts relating to the value of rent not charged have been recognised.

No related party transactions took place in the period of account.

27 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.