

THE YARE EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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THE YARE EDUCATION TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members	Michael Garratt Nicholas Hancox Bryan Slater Samantha Swinnerton Elizabeth Cameron (resigned 15 September 2017)
Trustees	Linda Steynor, Chair Ian Clayton MBE, Chief Executive Alfonso Gotts Peter Harwood Owen Jenkins Peter Lamble Paul Tacon Elizabeth Cameron (resigned 15 September 2017) Anne Gibson (appointed 1 September 2018) Gary Leverett (appointed 1 September 2018)
Company registered number	10301555
Company name	The Yare Education Trust
Principal and registered office	Thorpe St Andrew School and Sixth Form Laundry Lane Norwich Norfolk NR7 0XS
Company secretary	Angela Durrant
Chief executive officer	Ian Clayton MBE
Senior management team	Ian Clayton MBE, Chief Executive, Principal at Thorpe St Andrew School and Sixth Form Daren Goffin, Chief Finance Officer Angela Durrant, Company Secretary Clare Fletcher, Executive Headteacher at the North Walsham Federation of Schools, Director of Schools for The Yare Education Trust Anita Gutteridge, Headteacher at Hillside Avenue Primary and Nursery School Louise Norgate, Headteacher at Dussindale Primary School Christine Edmunds, Headteacher at Hemblington Primary School
Independent auditors	MA Partners LLP 7 The Close Norwich Norfolk NR1 4DJ

THE YARE EDUCATION TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

Since the last report The Yare Education Trust welcomed the Federation of North Walsham Junior, Infant and Nursery Schools and now operates six academies for pupils/students aged 3 to 19. Currently there is one secondary school and sixth form, three primary schools and a federation of junior and infant schools.

Structure, governance and management

a. CONSTITUTION

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of The Yare Education Trust are also the Directors of the charitable company for the purposes of company law.

The operation of the Trust's schools and employment of staff are the responsibility of the Trustees. Each school has appointed a Local Governing Board which has delegated authority to administer their school within agreed budgets as outlined in the Scheme of Delegation.

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

b. MEMBERS' LIABILITY

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

c. TRUSTEES' INDEMNITIES

The 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 Trust business, and provides cover up to £10,000,000.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

An employee of the Trust cannot be a Member of the Trust. The Members of the Trust shall comprise the signatories to the Memorandum provided that at any time the minimum number of Members shall not be less than three. The Members may agree by passing a special resolution to appoint such additional Members as they think fit.

Members of the Trust may appoint by ordinary resolution up to 12 Trustees. The total number of Trustees who are employees of the Trust shall not exceed one third of the total number of Trustees. Providing that the Chief Executive Officer agrees so to act, the Members may by ordinary resolution appoint the Chief Executive Officer as a Trustee.

Trustees are recruited according to the skills and experience they can bring to the Trust to ensure the fulfilment of the Trust's aim and to comply with any legal and safeguarding requirements. A Skills Audit will be undertaken annually and the Trustee role description, responsibilities and person specification, as outlined in the Scheme of Delegation, are used to recruit people with the correct skills to complement the Board. The term of office for any Trustee shall be four years, save that this time limit shall not apply to any post which is held ex officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected at a General Meeting.

The Trustees are expected to adhere to the 'Nolan Principles: The Seven Principles of Public Life': selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

The Trustees shall each school year elect a Chair and a Vice Chair from among their number. A Trustee who is employed by the Trust shall not be eligible for election as Chair or Vice Chair. Resignation and re-election arrangements are as set out in Article 84 and 85 of the Articles of Association.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

A full induction programme is in place for new schools joining the Trust and Trustees. The programme aims to:

- provide an understanding of the nature of the Trust and its purpose
- establish links with new and existing schools and members of its community
- assist in understanding the Trust's objectives, policies and ethos.

The focus is on governance but all involved in the Trust should have a full understanding of the organisation in order to fully embed the Trust's ethos.

Training is offered to Trustees and Governors to enable them to perform their role effectively. This is identified through the annual skills audit.

A policy for Members, Trustees, Governors and Staff business and personal interests is maintained.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

f. ORGANISATIONAL STRUCTURE

The full Organisational Structure and Decision Matrix, detailing accountability and responsibilities is provided in the Scheme of Delegation, Appendices 1 and 13.

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

Meetings of the Full Trustee Board take place three times a year as do the Standards and Audit Committee, Staffing and Remuneration Committee and the Finance Committee.

The Chief Executive Officer is the Accounting Officer.

Local Governing Boards of schools within the Trust are accountable for adhering with the Scheme of Delegation. Each school, through earned autonomy, is responsible for their own staffing structures and budget ensuring adherence to safer recruitment processes.

A Trust Improvement and Development Plan ensures robust reporting and monitoring to the Trustee Board.

The Chief Executive Officer and Director of Schools meet regularly with the Headteachers of each school to ensure the strategic vision of the Trust is followed.

g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The Trust outlines its arrangements for setting the pay and remuneration of key management personnel in its Pay Policy, which is reviewed annually by the Trustees.

The Trust has a Staffing and Remuneration Committee which has an oversight of staff appointed to the central team of the Trust, including decisions relating to remuneration and appraisal arrangements.

Pay and remuneration for staff in individual schools is delegated to each Local Governing Board as outlined in the Scheme of Delegation. The Trust's pay policy follows the Teachers' Pay and Conditions Document and adheres to Local Government arrangements for associate staff.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

h. TRADE UNION FACILITY TIME

New regulations were introduced in March 2017 for employers to publically report spending on facility time. For the period 1 April 2017 to 31 March 2018, the Trust reported:

Relevant union officials

Number of employees who were relevant union officials during the year	0
Full-time equivalent employee number	0

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	£5,250.77
Total pay bill	£11.02m
Percentage of total pay bill spent on facility time	0.05%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	N/A
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i. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

All the schools within the Trust have a 'Friends of' which work to raise funds for the schools, as listed below:

The Friends of Hillside Avenue (1032433)
Dussindale Primary School Parent Teacher & Friends Association (1140469)
Friends of Hemblington School (1035031)
Friends of Thorpe St Andrew School (276049)
Friends of the Federation of North Walsham Junior, Infant School and Nursery (1091997)

In addition, Thorpe St Andrew School and Sixth Form has a School Development Trust (1081318), raising funds for the provision of resources that would otherwise not be provided.

The Trust does not have a formal sponsor.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Objectives and Activities

a. OBJECTS AND AIMS

The Objects of the Trust are as detailed in the Articles of Association, the main purpose is to advance for the public benefit free education and care for students of different abilities between the ages of 3 and 19, within its local community. Also, for the benefit of the local communities, the provision of facilities for recreation.

Vision

The Yare Education Trust is a collaborative group of school communities, formally partnering each other in a Multi Academy Trust.

The Trust schools are united in their vision for education in the communities they serve. At their heart is a commitment to every child and young person from the age of 3 to 19 in the area served by the schools that would ensure:

- the best possible educational experience for all students
- a culture of high aspiration
- an environment where each student is nurtured and can develop his or her full potential
- an emphasis on continuity of learning across all ages
- the celebration of the diversity and uniqueness of each individual's skills and abilities
- a climate which harnesses enthusiasm and makes learning enjoyable
- the well-being of the whole child, physically, mentally, emotionally and spiritually.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

Aims and Aspirations

The Trust's aim is to ensure that every child within the community enjoys the best possible education, that students should achieve academic success, but also that the educational experience that each child receives should include helping him or her to understand the need for respect and responsibility. Equally, that a good education should include activities beyond the academic curriculum such as sport, fieldwork and educational visits.

Each of the schools in the Trust has a unique identity which we wish to retain. It is also recognised that there are individual strengths within each school from which the rest of the Trust can learn. Parents can be confident that in whichever school they choose in the Trust, their child will receive an excellent, broad based education which will form a solid foundation for progression to the next stage of his or her development.

To ensure children and young people achieve success, the Trust has a culture of reflective professional growth by every member of staff, matched with a relentless approach to staff development. This equips teams to the highest standards and ensures high expectation influences all our actions.

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TRUSTEES' REPORT (continued)
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The Trust's aspirational outcomes are that:

- each school is expertly led and governed
- each student is expected to make progress at least in line with, and for the majority above, national expectations
- all teachers are motivated to be self-improving and aspire to be outstanding in all they do
- learning and teaching practices are exemplary
- each school has the support of its students, parents and the community.

In working together within and beyond the Trust, we believe in the synergy of what we can offer: that our combined experience and expertise are greater than the sum of our individual parts.

Strategies

The overarching strategy is embedded into the Trust's vision outlined above. The Trust Improvement Strategy for the year focused on the following:

Quality of Learning, Teaching and Curriculum:

Master Teacher Programme (Primary and Secondary)
Intervention and Support
Teacher Recruitment Plan

Leadership and Management:

Sharing Good Practice: Progress Boards and School to School Visits
School Self Review Processes
Middle Leader Development and Senior Leadership Development: Teacher Career Plan and Associate Staff
Local Governing Boards

Common Management Systems

Finance Review: Budget, Facilities and Information Technology

Marketing Strategy

Trust Growth

c. PUBLIC BENEFIT

The Trustees believe that by working towards the objects and aims as written in this report, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their duties.

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TRUSTEES' REPORT (continued)
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Strategic report

Achievements and performance

a. OVERVIEW

Key achievements include:

- Two further schools joining the Trust – The North Walsham Federation of Schools
- School Self Review processes embedded
- The growth of the Teaching School to share good practice and continue to create professional development opportunities for staff
- Creating common School Improvement and Development Plans in schools to support the Trust Plan
- Curriculum and assessment procedures are embedded and will develop further
- Master Teacher Programme implemented in all schools
- Consistent approach to teacher and associate staff appraisals applied
- GDPR policies and audit fulfilled
- The development of the central team
- Marketing strategy established
- The appointment of two Trustees to strengthen the Board
- Further work on staff well-being and reducing workload
- Developing strategies in order to be seen as an Employer of Choice.

A successful bid to the MAT Improvement and Development Fund has enabled the:

- Full time appointment of the Director of Schools to drive school improvement
- Appointment of an IT Systems Manager, Estates Manager and part time Data Protection Officer
- Commissioning and implementation of governance training at Trust and Local Governing Board level
- IT infrastructure application to upgrade management information systems and integration of IT systems.

Ofsted Gradings for Individual Schools

Thorpe St Andrew School and Sixth Form (Outstanding, 2014; National Teaching School)

Hillside Avenue Primary and Nursery School (Good, 2015)

Dussindale Primary School (Requires Improvement, June 2016)

Hemblington Primary School (Good, July 2017)

North Walsham Junior School (Good, July 2015)

North Walsham Infant School and Nursery (Outstanding, July 2008)

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School Results – Summer 2018

Dussindale Primary School

% of pupils making good level of development (EYFS) – 78% (National – 71.5%)
% of pupils reaching the expected standard in Phonics (Year 1) – 91% (National – 84%)

% of pupils reaching the expected standard in Reading – 74% (National – 75%)
% of pupils reaching the expected standard in Writing – 70% (National – 78%)
% of pupils reaching the expected standard in Mathematics – 80% (National – 76%)
% of pupils reaching the expected standard in English grammar, spelling and punctuation – 70% (National – 78%)

Hemblington Primary School

% of pupils making good level of development (EYFS) – 88.5% (National – 71.5%)
% of pupils reaching the expected standard in Phonics (Year 1) – 92.5% (National – 84%)

% of pupils reaching the expected standard in Reading – 92% (National – 75%)
% of pupils reaching the expected standard in Writing – 85.7% (National – 78%)
% of pupils reaching the expected standard in Mathematics – 85% (National – 76%)
% of pupils reaching the expected standard in English grammar, spelling and punctuation – 82% (National – 78%)

Hillside Avenue Primary and Nursery School

% of pupils making good level of development (EYFS) – 86% (National – 71.5%)
% of pupils reaching the expected standard in Phonics (Year 1) – 90% (National – 84%)

% of pupils reaching the expected standard in Reading – 91.8% (National – 75%)
% of pupils reaching the expected standard in Writing – 86.9% (National – 78%)
% of pupils reaching the expected standard in Mathematics – 86.9% (National – 76%)
% of pupils reaching the expected standard in English grammar, spelling and punctuation – 85% (National – 78%)

North Walsham Junior and Infant Schools

% of pupils making good level of development (EYFS) – 80.3% (National – 71.5%)
% of pupils reaching the expected standard in Phonics (Year 1) – 93.3% (National – 84%)

% of pupils reaching the expected standard in Reading – 78% (National – 75%)
% of pupils reaching the expected standard in Writing – 81% (National – 78%)
% of pupils reaching the expected standard in Mathematics – 82% (National – 76%)
% of pupils reaching the expected standard in English grammar, spelling and punctuation – 77% (National – 78%)

Thorpe St Andrew School and Sixth Form

Year 13 achieved 83% A*-C including vocational subjects and equivalent
Year 13 ALPS Score 2 (top 10% nationally)
Year 11 achieved 72% 9 – 4 in English and mathematics
Year 11 achieved 46% 9 – 5 in English and mathematics
Year 11 achieved 0.06 Progress 8 score

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b. KEY PERFORMANCE INDICATORS

At each meeting, Trustees receive information to enable monitoring of each school's performance and the Trust as a whole.

Key Performance Indicators include:

<u>Performance Area</u>	<u>Performance Measure to aim to</u>
Vision and Ethos	The Trust has a clear three to five year vision which has been used to identify strategic priorities.
Academic Standards	Measures at Key Stages 2, 4 and 5 to show positive value added and be above the Norfolk and National average.
Attendance and Behaviour	Overall attendance in all schools to be above national average and in the top 25% of schools nationally. Persistent absence to be below national average in all schools. The level of permanent and fixed term exclusions (as a percentage of the pupil/student group and enrolment) to be below national averages. The gap between pupil premium and non-pupil premium children, on attendance and behaviour measures, to be below the national average.
Recruitment and Retention	All schools to be over subscribed for entry into Reception and Year 7 as appropriate. All schools to be full in all year groups. All schools to have a full staffing complement in September of each academic year. The number of staff leaving due to retirement and promotion is greater than all other reasons for leaving the Trust's employment. Positive data in pupil/student, parent and staff voice surveys.
Finance	Audit reports identify no high risk aspects to the functioning of the Trust or its schools. Rolling three year finance and capital strategies are used to make key spending decisions and identify efficiencies.
Governance	Full and timely submission of Annual Report and Financial Statements to Companies House. Attendance at both Trust and Local Governing Board levels to be 93% or above over the academic year. Formal Schemes of Delegation are produced and reviewed annually.

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The Key Performance Indicators are in addition to the Trust Improvement and Development Plan and the Terms of Reference of each Committee. The Plan for the forthcoming year will focus on:

Pupil/Student Outcomes with the objective that all measures are above National average in every school.

Pupil/Student Development, Behaviour and Welfare with the objective that all young people enjoy school and thrive in the school community in which they work.

Quality of Teaching and Learning with the objective that teaching to be at least good and much outstanding.

Leadership and Management to ensure all schools' leadership and management is judged outstanding.

Growth of the Trust

Economies of Scale and Income Generation

c. GOING CONCERN

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Financial review

a. OVERALL REVIEW

The main source of funding for the Trust is the General Annual Grant (GAG) that it obtains from the ESFA and along with other grants it is restricted to particular purposes. For the accounting period ended 31 August 2018 the Trust received total income (excluding transfers from the Local Authority on conversion) of £15,119,650 of which 81.5% is spent on salary and supply costs to deliver the Trust's primary objective of the provision of education.

On conversion of schools within the Trust, unrestricted funds of £167,555 were inherited, as shown in notes 2 and 22.

Expenditure is monitored monthly on an ongoing basis in accordance with maintaining and reporting a three year budget which is reviewed and approved by the Trustees.

The balance sheet also reflects a pension scheme deficit of £4,296,000 following a valuation of the Local Government Pension Scheme. The pension scheme deficit is recognised against restricted funds and detail is provided in note 24.

The financial position of the Trust at the end of the accounting period is detailed in the financial statements. At 31 August 2018, the Trust held free reserves of £2,397,003 which does not include funds of £39,650 which have been designated.

The Trustees have a clear plan for investing the current surplus and this is outlined in the Reserves Policy.

b. RESERVES POLICY

The Trust's policy for reserves is to maintain an appropriate level of financial reserves, as considered essential in protecting the Trust from financial risks, for example:

- Income reduction due to government funding changes
- Unexpected falls in student numbers
- Cash flow issues due to delays in receipt of funding
- Emergencies.

The Trust considers it prudent to maintain a level of useable reserves sufficient to cover unexpected and unplanned events so that the Trust's charitable aims and objectives are achieved. At the same time the Trust wishes to ensure that it uses its funding to benefit the students in its care which implies an imperative to consider actively the use of reserves to enhance educational provision.

The Board of Trustees monitors levels of reserves in financial reports provided by the Chief Finance Officer and in the annual financial statements. Trustees will look to ensure that a prudent level of reserves is maintained, bearing in mind the recurrent spending needs to ensure high quality provision. In deciding the level of reserves, Trustees will take into account the following:

- One month's salary costs
- The Trust's annual budget
- The need for any large project spend such as facilities development or building condition needs
- Any uncertainty, turbulence or unexpected reduction in funding arrangements, including the level of transitional protection within the school funding and its expiry date
- Anticipated funding over the next three years.

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In line with this rationale, the Trust holds sufficient funds to cover one month's total salary costs (approximately £1,050,000) and a further £125,000 non-salary costs, as detailed within the annual budget. In addition, reserves of £490,000 are currently held for future capital projects.

At this relatively early stage for the Trust the level of reserves currently held are significantly higher than the stated rationale due to the recognition of funds from the Local Authority on conversion. These additional funds also provide a safeguard against the current uncertainties around National Funding Formula changes and other cost pressures. A proportion of these monies have been designated as shown in note 18.

c. MATERIAL INVESTMENTS POLICY

The investment policy sets out the processes by which the Trustees will meet their duties under the Articles of Association and Academies Financial Handbook, to invest monies surplus to operational requirements in furtherance of the Trust's charitable aims and to ensure that investment risk is properly and prudently managed.

The Trust aims to manage its cash balances to ensure it can meet its financial commitments when they fall due, whilst protecting, as far as possible, the capital value of any surplus cash balances against inflation. In addition, the Trust aims to invest surplus cash funds to optimise returns whilst ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

The investment objectives are:

- To ensure adequate cash balances are maintained in the current account to cover day to day working capital requirements
- Only invest funds surplus to operational need based on all financial commitments being met without the Trust and School bank accounts becoming overdrawn
- To ensure there is no risk of loss in the capital value of any cash funds invested
- To protect the capital value of any invested funds against inflation as far as possible
- To optimise returns on invested funds. By complying with this policy, all investment decisions should be exercised with care and skill and consequently be in the best interests of The Yare Education Trust's charitable aims and objectives.

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d. PRINCIPAL RISKS AND UNCERTAINTIES

The Trust has a Risk Management Strategy and has structured its risks using the following approach:

- Strategic and Reputational risks – concern the long-term strategic objectives of the Trust. For example, failure to recognise sector message.
- Operational risks – concern the day-to-day issues that the organisation is confronted with as it strives to deliver its strategic objectives.
- Financial risks – concern the effective management and control of the finances of the Trust.
- Compliance risks – concern such issues as health and safety, environmental, trade subscriptions, consumer protection, data protection, employment practices and regulatory issues.

The Trust has a Risk Register in place and the principal risks faced which would stop it achieving its objectives are around the following:

- Lack of succession planning for positions of Chair or Vice Chair of the Board, Trustees or Principal/Headteacher of the schools
- Pressure on the workload of the Chief Executive Officer as the Trust grows
- Trust grows too quickly
- Introduction of the National Funding Formula in April 2018 and other funding changes resulting in loss/changes in funding allocations
- Failure to recruit or retain sufficient high quality school leaders, teachers or associate staff impacts on the Trust and its schools' ability to achieve high standards and levels of achievement
- Non achievement of long and medium term accommodation strategy resulting in inadequate, unattractive or unsustainable premises
- Failure of key infrastructure components leading to unplanned closures
- Poor condition and suitability of buildings requiring major building work to repair/replace
- A change in leadership of a school within the Trust, putting the shared values and vision of the Trust at risk
- Impact of low standards or levels of achievement on parental confidence, reputation, student numbers or Ofsted grading
- Failure to deliver IT/failure of IT equipment to staff to carry out their activities which leads to poor student experience and low staff morale
- Health and Safety noncompliance

The Trust's Full Board reviews the Risk Register and monitors the identification and mitigation of risk in the Trust. Any items requiring attention are dealt with by the relevant Committee which then reports back to the Full Board. A summary of the plans and strategies for managing and mitigating the identified risks include:

- Premises Development Plans
- Data dashboards submitted to each committee meeting
- Regular committee and subcommittee meetings
- Maintenance, contractual and legislative compliance programmes
- Trust policies and procedures embedded
- Financial monitoring and three year budget forecast plans
- CPD and staff induction.

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TRUSTEES' REPORT (continued)
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Fundraising

The Trustees support fundraising in order to enhance the educational provision and experiences of the students/pupils.

During the year, the Trust appointed Surveyors to Education Ltd to assist with the bid writing for the Condition Improvement Fund allocation and Premier Advisory Group Ltd for the MAT Improvement and Development Fund. Both submissions were successful. The Estates Manager has commenced a fundraising campaign to raise funds to build new student facilities at Thorpe St Andrew School and Sixth Form and the Teaching School generates income by offering professional development opportunities.

Each school within the Trust has a Parent Teacher Association or equivalent which raises funds for their respective schools. Students/pupils may also arrange suitable fundraising events. In order to protect the public, including vulnerable people, fundraising does not include unreasonably intrusive or persistent fundraising approaches, or undue pressure to donate.

Any complaints are recorded and reported to the Trust Board. During the financial period, no complaints were received about fundraising.

Each school's Local Governing Board reviews plans, budgets, forecasting and strategy and also works closely with the Parent Teacher Association.

As part of the Induction process for Trustees, all are made aware of their charitable responsibilities and must agree to adhere to them, prior to appointment.

In the forthcoming year, Trustees will evaluate performance against legal requirements. This will include:

Agreeing a strategy/plan, reflecting:

- the Trust's values
- the resources used and the costs incurred
- the key financial and reputational risks faced

in order to monitor progress and manage key risks.

Effective systems are in place so that:

- when raising funds for the Trust, it is monitored for its effectiveness in doing so
- the Trust will only enter into commercial partnerships which are in the Trust's best interests.

Arrangements with our commercial partners:

- fully comply with relevant legal requirements
- are in the Trust's best interests because:
 - appropriate due diligence is undertaken
 - the costs are justifiable and can be explained
 - proper control is kept of the money raised
 - compliance with the agreement is monitored
 - any conflicts of interest are recognised and dealt with.

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TRUSTEES' REPORT (continued)
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The Trustees protect the Trust's reputation, money and other assets by ensuring effective systems are in place so that:

- the reputational risks the Trust may face in its fundraising are identified, assessed and managed
- likely donor, supporter and public perception is considered when income expectations and other goals are considered
- the legal rules and recognised standards which apply to our fundraising are followed
- our values are communicated to the people who work on our fundraising
- the costs of our fundraising are managed and explained
- our fundraising finance is planned and monitored
- effective financial controls are in place and followed
- risks of financial crime and fraud are reduced
- suspicious donations can be alerted to.

Trustees take responsibility for the Trust's fundraising by ensuring:

- the Trust can stop (or authorise) any unauthorised fundraising activity using its name
- serious incidents are reported to the commission, police and other agencies
- data, name, image logo and intellectual property are protected.

Effective systems are in place so that:

- the Code of Fundraising Practice and other resources are used to find out about the legal rules and recognised standards which apply to fundraising
- these rules and standards are followed.

Trustees have effective systems in place so that:

- any legal rules and requirements that apply to how our charity reports on and accounts for its fundraising are complied with
- the open and accessible complaints procedures are followed if concerns are raised about fundraising
- fundraising aims and achievements are clearly communicated to the public and to donors and supporters.

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TRUSTEES' REPORT (continued)
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Plans for future periods

a. FUTURE DEVELOPMENTS

The main aim is to grow the Trust by at least two schools and to achieve this, work is ongoing to ensure the correct staffing structures are in place and the marketing strategy suits the current climate.

With this growth the Community Strategic Boards can be fully established to meet the needs of the schools.

Work will also continue on achieving economies of scale to ensure schools receive best value for money in all aspects of their operations.

The emphasis on standards will continue with the quality of classroom teaching the main focus.

The Trust also aims to use the Teaching School as a key driver to meet the Key Performance Indicators.

FUNDS HELD AS CUSTODIAN

The Yare Education Trust did not/does not act as a custodian Trustee on behalf of others.

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 28 November 2018 and signed on its behalf by:


Dr Linda Steynor
Chair of Trustees

THE YARE EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that The Yare 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 Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Yare 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 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Linda Steynor, Chair	4	4
Ian Clayton MBE, Chief Executive	4	4
Alfonso Gotts	4	4
Peter Harwood	3	4
Owen Jenkins	4	4
Peter Lamble	3	4
Paul Tacon	4	4
Elizabeth Cameron	0	0

The purpose of the Full Board is:

Responsibilities

The business of the Trust shall be managed by the Board who may exercise all the powers of the Trust as set out in the Articles of Association. This will include but not be limited to:

Setting the Strategic Direction

- To ensure that the Trust's vision and values underpin the way in which the Trust and its schools' work.
- To determine the educational character, religious ethos and mission of the Trust.
- To approve the Trust's appropriate strategic plans and review annually.

Ensuring High Standards of Achievement and Improved Performance

- To ensure that all schools in the Trust are effectively challenged and supported to maximise outcomes of children and young people who attend Trust schools.
- To receive reports from the Standards and Audit Committee at every board meeting in order to review regularly outcomes and impact against key performance indicators as identified in the Trust's strategic plan.
- To challenge and support the Trust's senior officers and school leaders to achieve best value in terms of impact, outcomes, quality and cost.

THE YARE EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Ensuring Sound Financial Practices

- To approve the Trust's annual budget and keep it under regular review by receiving a report from the Trust's Finance Committee at every board meeting.
- To approve and review each Trust/School's annual budget and review this annually.
- To agree the scheme of financial delegation to Trust schools and review this annually.
- To receive the Annual Report from the Trust's auditors and take appropriate actions.

Ensuring Strong and Robust Governance

- To ensure compliance with the Trust's duties under company law and charity law and agreements made with the Department for Education (DfE) including Master Funding Agreement and Supplemental Funding Agreements.
- To ensure the continued charitable status of the Trust, and compliance with the charitable objects as set out in the Articles of Association.
- To approve the Trust's accountability and delegation framework and review regularly.
- To approve the terms of reference for agreed committees
- To approve the Trust's policy framework
- To take timely action to address decisions for which there is a legal requirement for Board approval.
- To ensure effective consultation and communication with all stakeholders of the Trust.
- To review the effectiveness of governance structures and take appropriate steps to improve its performance.

In addition to the above, particular items dealt with during the period include:

- New data protection regulations
- Appointment of Local Governing Boards
- Implementing policies
- Establishing the programme of works for the internal audits
- Setting the strategic business plan
- Monitoring strategies for Trustees
- Applying the changes outlined in the new Academies Financial Handbook.

THE YARE EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The **Finance Committee** is a sub-committee of the main Board of Trustees. Its purpose is to:

- develop a financial strategy for the Trust and consider policies, procedures or plans required to realise such strategy
- consider the Trust's indicative funding, once notified by the Education and Skills Funding Agency, and to assess its implications for the Trust, in consultation with the Chief Executive Officer and the Chief Finance Officer, in advance of the financial year, drawing any matters of significance or concern to the attention of the Trustees
- consider and recommend acceptance/non-acceptance of the Trust's budget to the Trustees
- monitor and address any variances from the budget and ensure the Education and Skills Funding Agency is notified as required
- receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the Trust Development Plan
- liaise with and receive reports from the Standards and Audit Committee and then to make recommendations about the financial aspects of matters being considered by them
- monitor and review income and expenditure on a regular basis and ensure compliance with the overall financial plan for the Trust, drawing any matters of concern to the attention of the Trust Board
- monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement
- maintain oversight and monitor the accuracy of all returns submitted to the Education and Skills Funding Agency or Department for Education in relation to financial matters of the Trust and all constituent schools/academies
- to review and monitor financial controls and take appropriate action to mitigate risk for the Trust and all schools through effective audit controls
- prepare the financial statement to form part of the Annual Report
- ensure the Trust's commercial and fundraising activities are carried out effectively
- examine and review new initiatives for financial development, including fundraising
- oversee significant investment and capital financing decisions
- approve and keep under review the Trust's investment policy
- approve and keep under review the Trust's reserves policy
- promptly notify the Trust Board of all financial matters of which the Committee has knowledge and which may materially affect the current or future position of the Trust
- advise generally on the provision of resources and services to the Trust
- to review, on a regular basis, its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness.

Particular items dealt with during the period:

- Approval of the budgets for all schools within the Trust
- Completion of the Financial Management and Governance Self Assessment
- Review of performance against budget on a termly basis including details of maintained investments
- Tendering of major projects, discussion on tendering arrangements
- Funds inherited on conversion of schools to the Trust
- Fulfilling the criteria of the Condition Improvement Fund bid
- Establishing the remit for the monitoring of facilities and information technology
- Data dashboards implemented for finance, premises and information technology
- Review of the National Funding Formula and local implementation.

THE YARE EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Owen Jenkins, Chair	2	2
Ian Clayton MBE, Chief Executive	2	2
Peter Harwood	2	2
Peter Lamble	2	2
Elizabeth Cameron	0	0

Three meetings were scheduled to take place during the financial year but due to adverse weather conditions, only two meetings were held.

The **Standards and Audit Committee** is also a sub-committee of the main Board of Trustees. Its purpose is to cover the following areas:

Educational Standards

- to ensure that the highest possible standards are set and maintained across the Trust
- to receive a termly report on standards and performance against key performance indicators
- to identify any areas of concern in respect of standards and performance and to implement an action plan
- to ensure that the Trust's curriculum is balanced and broadly based
- to ensure that effective processes are in place for the quality assurance of teaching and learning, the curriculum, inclusion and the sharing of good practice across the Trust
- to support the Chief Executive Officer in the creation, implementation and monitoring of the Trust's self-evaluation development plan and any post-Ofsted action plan
- to advise the Trust Board with respect to targets for student achievement across the Trust
- to ensure that effective arrangements are in place across the Trust for pupil/student support and representation, for monitoring attendance and for pupil/student discipline

Financial Standards

- to set the remit for the internal audit, review subsequent findings and remedial action proposed.
- to review and monitor financial controls and take appropriate action to mitigate risk for the Trust and all schools through effective audit controls
- prepare the financial statement to form part of the Annual Report
- maintain oversight and monitor the accuracy of all returns submitted to the Education Funding Agency or Department for Education in relation to financial matters of the Trust and all constituent schools/academies.

General

- to review, on a regular basis, its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness
- to undertake a termly review of the Trust's Risk Register
- to scrutinise and review Trust policies for recommendation to the Trust Board.

Particular items dealt with during the period:

- Reviewing the internal audit reports for all schools and agreeing a programme of works for future audits
- Consideration of the data on current standards across the Trust for each school
- Successfully applying to the MAT Improvement and Development Fund
- Quality Monitoring Visits by the Director of Schools implemented
- Trustee training on national performance data.

THE YARE EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Peter Lamble, Chair	1	2
Ian Clayton MBE, Chief Executive (In Attendance)	2	2
Alfonso Gotts	2	2
Owen Jenkins	2	2
Linda Steynor, Chair	2	2
Paul Tacon	2	2
Elizabeth Cameron	0	0

Three meeting were scheduled to take place during the financial year but due to adverse weather conditions, only two meetings were held.

The **Staffing and Remuneration Committee** is a sub-committee of the main Board of Trustees. Its purpose is to:

- Annually appoint a Chair.
- Have strategic oversight of staff appointed to the central team of the Trust, including decisions relating to remuneration.
- Annually confirm the arrangements for the appraisal of the central team and all Trust Principals / Headteachers in line with the Scheme of Delegation.
- Have strategic oversight of the Trust's relationship with its HR provider and Trust HR policies.

Particular items dealt with during the period:

- Monitoring of staff appointments
- Well-being survey undertaken across all schools
- Appraisal processes strengthened
- Staffing review for the central team required to manage a number of schools and prepare for growth
- Agreeing a strategy for the Apprenticeship Levy funding.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Peter Harwood, Chair	2	2
Ian Clayton MBE, Chief Executive	2	2
Alfonso Gotts	0	2
Linda Steynor, Chair	2	2
Paul Tacon	2	2

Three meeting were scheduled to take place during the financial year but due to adverse weather conditions, only two meetings were held.

THE YARE EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- regularly reviewing the functions of the Trust, challenging how and why services are provided and setting targets and performance indicators for improvement
- monitoring outcomes and comparing performance with similar schools
- promoting fair competition through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way
- undertaking self evaluation, reported in the Trust's self-evaluation cycle, with a particular focus on the quality of teaching and learning and on pupil/student progress.
- reviewing staffing structures
- embedding appraisal processes to ensure that targets are rigorous
- reducing bureaucracy where possible
- working collaboratively across the Trust where savings can be made
- maintaining an annual refurbishment programme
- ensuring building programmes progress efficiently and with no detrimental impact on learning
- allocating resources as identified in the Trust Improvement and Development Plan
- collaborating on procurement where possible
- developing Trust wide continuing professional development
- maintaining a careful oversight on expenditure
- aiming to maximise income from lettings
- implementing income generation strategies.

To assist with this, the Accounting Officer has been informed by:

- The work of the internal auditors
- The work of the external auditors
- The financial management and governance self-assessment process
- The Core Trust team.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Yare Education Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

THE YARE EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Lovewell Blake LLP as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included:

- internal controls
- proper and regular use of funds
- financial management and monitoring
- financial oversight
- financial planning
- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of HR contracts.

On a termly basis a report is prepared identifying any significant weaknesses found and any recommendations for the Trust to implement. The auditor reports to the Board of Trustees through the Standards and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal audit function has been fully delivered in line with the ESFA's requirements.

THE YARE EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

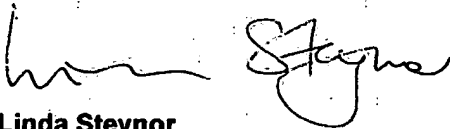
REVIEW OF EFFECTIVENESS


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

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and Standards and Audit Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 28 November 2018 and signed on their behalf, by:


Linda Steynor
Chair of Trustees


Ian Clayton MBE, Chief Executive
Accounting Officer

THE YARE EDUCATION TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Yare 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 2017.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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



Ian Clayton MBE, Chief Executive
Accounting Officer

Date: 28 November 2018

THE YARE EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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

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

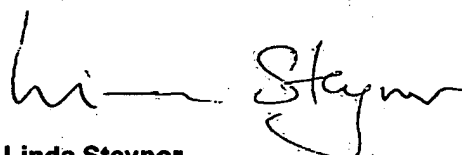
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the Board of Trustees on 28 November 2018 and signed on its behalf by:



Linda Steynor
Chair of Trustees

THE YARE EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
YARE EDUCATION TRUST**

OPINION

We have audited the financial statements of The Yare Education Trust (the 'academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 financial statements are authorised for issue.

THE YARE EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
YARE EDUCATION TRUST**

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

THE YARE EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
YARE EDUCATION TRUST**

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 Trust or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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



Frank Shippam BSc FCA DChA (Senior statutory auditor)

for and on behalf of

MA Partners LLP

7 The Close
Norwich
Norfolk
NR1 4DJ
11 December 2018

THE YARE EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE YARE
EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 13 October 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Yare Education Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF THE YARE EDUCATION TRUST'S ACCOUNTING OFFICER AND
THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of The Yare Education Trust's funding agreement with the Secretary of State for Education dated 25 August 2016, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the 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 Trust's income and expenditure.

THE YARE EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE YARE
EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

Our procedures included, but were not limited to, the following:

- Reviewing the processes for identifying and declaring business interests, related parties and transactions with connected parties;
- Reviewing minutes of meetings and making enquiries of Trustees and management;
- Performing an evaluation of the general control environment;
- Sample testing of expenditure to ensure the Trust's lines of delegation and procurement policies have been adhered to, that employees have not personally benefited from any transaction and that goods and services have been procured in an open and transparent manner;
- Sample testing restricted income to ensure it has been spent as the purposes intended;
- Reviewing transactions which may not fall within the delegated authority of the Trust and ensuring any such transactions have been authorised and disclosed as necessary;
- Reviewing compliance with *Annex C: Schedule of requirements (the "musts")* of the Academies Financial Handbook 2017.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MA Partners LLP

MA Partners LLP

7 The Close
Norwich
Norfolk
NR1 4DJ

11 December 2018

THE YARE EDUCATION TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations & capital grants:						
Transfer from local authority on conversion	2	167,555	(782,000)	4,216,659	3,602,214	34,528,768
Other donations and capital grants	2	5,370	478,508	-	483,878	556,520
Charitable activities	3	294,605	13,998,902	-	14,293,507	12,378,075
Other trading activities	4	334,131	-	-	334,131	318,782
Investments	5	8,134	-	-	8,134	7,789
TOTAL INCOME		809,795	13,695,410	4,216,659	18,721,864	47,789,934
EXPENDITURE ON:						
Charitable activities		57,935	15,234,921	727,379	16,020,235	13,857,457
TOTAL EXPENDITURE	6	57,935	15,234,921	727,379	16,020,235	13,857,457
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	751,860 (397,894)	(1,539,511) 294,894	3,489,280 103,000	2,701,629 -	33,932,477 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		353,966	(1,244,617)	3,592,280	2,701,629	33,932,477
Actuarial gains on defined benefit pension schemes	24	-	1,063,000	-	1,063,000	391,000
NET MOVEMENT IN FUNDS		353,966	(181,617)	3,592,280	3,764,629	34,323,477
RECONCILIATION OF FUNDS:						
Total funds brought forward		2,090,908	(3,494,341)	35,726,910	34,323,477	-
TOTAL FUNDS CARRIED FORWARD		2,444,874	(3,675,958)	39,319,190	38,088,106	34,323,477

The notes on pages 36 to 66 form part of these financial statements.

THE YARE EDUCATION TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10301555

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	14		39,327,411		35,726,910
CURRENT ASSETS					
Debtors	15	522,535		577,073	
Investments	16	450,000		-	
Cash at bank and in hand		3,139,774		3,281,267	
		<u>4,112,309</u>		<u>3,858,340</u>	
CREDITORS: amounts falling due within one year	17	<u>(1,055,614)</u>		<u>(1,273,773)</u>	
NET CURRENT ASSETS			<u>3,056,695</u>		<u>2,584,567</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>42,384,106</u>		<u>38,311,477</u>
Defined benefit pension scheme liability	24	(4,296,000)		(3,988,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>38,088,106</u></u>		<u><u>34,323,477</u></u>
FUNDS OF THE TRUST					
Restricted income funds:					
Restricted income funds	18	620,042		493,659	
Restricted fixed asset funds	18	<u>39,319,190</u>		<u>35,726,910</u>	
Restricted income funds excluding pension liability		<u>39,939,232</u>		<u>36,220,569</u>	
Pension reserve		<u>(4,296,000)</u>		<u>(3,988,000)</u>	
Total restricted income funds			<u>35,643,232</u>		<u>32,232,569</u>
Unrestricted income funds	18		<u>2,444,874</u>		<u>2,090,908</u>
TOTAL FUNDS			<u><u>38,088,106</u></u>		<u><u>34,323,477</u></u>

The financial statements on pages 33 to 66 were approved by the Trustees, and authorised for issue, on 28 November 2018 and are signed on their behalf, by:


Linda Steynor, Chair

The notes on pages 36 to 66 form part of these financial statements.

THE YARE EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(272,221)	950,974
Cash flows from investing activities:			
Dividends, interest and rents from investments		8,134	7,789
Purchase of tangible fixed assets		(112,135)	(511,768)
Capital grants from DfE Group		517,174	269,249
Cash transferred on conversion to an academy trust		167,555	2,555,023
Capital donation		-	10,000
Funds to deposit accounts		(450,000)	-
Net cash provided by investing activities		130,728	2,330,293
Change in cash and cash equivalents in the year		(141,493)	3,281,267
Cash and cash equivalents brought forward		3,281,267	-
Cash and cash equivalents carried forward	21	3,139,774	3,281,267

The notes on pages 36 to 66 form part of these financial statements.

THE YARE EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

The Yare Education Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Company status

The Trust is a private company limited by guarantee. The Members and Trustees of the company are named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member of the Trust.

1.3 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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

THE YARE EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Where assets are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risk and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

1.5 Expenditure

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

Expenditure on charitable activities are costs incurred on the Trust's educational operations, including support costs and those costs relating to the governance of the Trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.6 Termination payments

Termination payments are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Trust recognises termination payments when it is demonstrably committed to either (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or (ii) providing termination payments as a result of an offer made to encourage voluntary redundancy.

THE YARE EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following basis:

Long-term leasehold land	-	125 years straight line
Long-term leasehold buildings	-	10-50 years straight line
Furniture and fixtures	-	5-10 years straight line
Motor vehicles	-	25% reducing balance
Computer equipment	-	4 years straight line

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 incorporating income and expenditure account.

The Trust is party to lease agreements with Norfolk County Council for the school property. The leases are for a period of 125 years and substantially all the risks and rewards of ownership have been transferred to the Trust for £NIL rental. As such the school properties have been recognised as fixed assets in the Balance sheet at a fair value. The fair values are based upon the values written out of Norfolk County Council's financial statements on conversion.

1.8 Debtors

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

1.9 Cash at Bank and in hand

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

THE YARE EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.10 Liabilities and provisions

Liabilities and provisions 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 17. 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 instruments.

1.12 Taxation

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

THE YARE EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the 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 incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.14 Conversion to an academy

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

The assets and liabilities transferred on conversion from North Walsham Junior School and North Walsham Infant School and Nursery to the Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 22.

THE YARE EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.15 Agency arrangements

The Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 28.

1.16 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

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

THE YARE EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.17 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

In assessing the carrying value of tangible fixed assets the Trustees estimate the anticipated useful lives and residual values of the assets. There have been no significant revisions to these estimations in the current financial year.

The fair value of land and buildings transferred to the Trust on conversion has been based upon the value written out of Norfolk County Council's financial records.

THE YARE EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Transfer from local authority on conversion	167,555	(782,000)	4,216,659	3,602,214	34,528,768
Donations	5,370	27,697	-	33,067	49,476
Capital Grants	-	450,811	-	450,811	507,044
Subtotal	5,370	478,508	-	483,878	556,520
	172,925	(303,492)	4,216,659	4,086,092	35,085,288
<i>Total 2017</i>	<u>2,580,586</u>	<u>(3,357,043)</u>	<u>35,861,745</u>	<u>35,085,288</u>	

THE YARE EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

3. FUNDING FOR TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
DfE/ESFA grants				
General Annual Grant (GAG)	-	12,772,459	12,772,459	11,119,563
Rates relief	-	62,718	62,718	53,591
Pupil Premium	-	419,147	419,147	351,633
Universal Infant Free School Meals	-	163,839	163,839	58,812
PE and Sports grant	-	72,510	72,510	19,350
Conversion grants	-	50,000	50,000	25,000
Regional Growth Fund	-	-	-	50,000
Other ESFA grants	-	49,803	49,803	99,100
	<u>-</u>	<u>13,590,476</u>	<u>13,590,476</u>	<u>11,777,049</u>
Other government grants				
Nursery funding	-	127,043	127,043	69,970
Cluster funding	-	45,031	45,031	61,516
SEN income	-	205,304	205,304	187,389
Other government grants	-	31,048	31,048	52,625
	<u>-</u>	<u>408,426</u>	<u>408,426</u>	<u>371,500</u>
Other income from the Trust's educational operations				
Trip income	229,072	-	229,072	169,863
Catering income	65,533	-	65,533	59,663
	<u>294,605</u>	<u>-</u>	<u>294,605</u>	<u>229,526</u>
	<u>294,605</u>	<u>13,998,902</u>	<u>14,293,507</u>	<u>12,378,075</u>
Total 2017	<u>229,526</u>	<u>12,148,549</u>	<u>12,378,075</u>	

THE YARE EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Staff catering income	4,117	-	4,117	1,723
Generated income - NTLEC / SGO	39,724	-	39,724	21,917
Sale of educational materials	42,916	-	42,916	59,326
Music income	25,600	-	25,600	15,493
Provision of staff to other schools	160	-	160	28,981
Lettings income	127,507	-	127,507	121,228
Insurance claims	34,515	-	34,515	17,651
Miscellaneous income	59,592	-	59,592	52,463
	<u>334,131</u>	<u>-</u>	<u>334,131</u>	<u>318,782</u>
<i>Total 2017</i>	<u>318,782</u>	<u>-</u>	<u>318,782</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	8,134	-	8,134	7,789
	<u>7,789</u>	<u>-</u>	<u>7,789</u>	
<i>Total 2017</i>	<u>7,789</u>	<u>-</u>	<u>7,789</u>	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Activities:					
Direct costs	10,540,652	-	740,304	11,280,956	10,167,412
Support costs	1,785,061	1,900,924	1,053,294	4,739,279	3,690,045
	<u>12,325,713</u>	<u>1,900,924</u>	<u>1,793,598</u>	<u>16,020,235</u>	<u>13,857,457</u>
<i>Total 2017</i>	<u>10,533,088</u>	<u>1,552,378</u>	<u>1,771,991</u>	<u>13,857,457</u>	

THE YARE EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Expenditure	11,280,956	4,739,279	16,020,235	13,857,457
<i>Total 2017</i>	9,923,070	3,934,387	13,857,457	

Analysis of direct costs

	Total 2018 £	Total 2017 £
Technology costs	2,883	7,122
Educational supplies	174,502	295,587
Examination fees	196,019	206,325
Staff development	54,165	60,081
Agency supply staff	84,359	179,467
Educational visits	201,078	191,559
Educational professional fees	111,657	75,397
Wages and salaries	8,557,535	7,280,034
National insurance	786,814	671,716
Pension cost	1,111,944	955,782
	11,280,956	9,923,070
<i>At 31 August 2017</i>	9,923,070	

THE YARE EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

Analysis of support costs

	Total 2018 £	Total 2017 £
Pension interest	117,000	82,000
Staff costs	1,785,061	1,446,089
Depreciation	728,293	636,603
Technology costs	138,202	135,155
Recruitment and support	53,797	58,676
Maintenance of property and equipment	705,062	476,638
Cleaning	240,983	216,476
Rates and water	91,668	92,888
Energy costs	210,966	182,395
Insurance costs	83,933	100,552
Security and transport	46,758	73,044
Catering	250,884	204,298
Uniform costs	1,696	963
Other support costs	91,896	83,117
Legal and professional	193,080	145,493
	<u>4,739,279</u>	<u>3,934,387</u>
<i>At 31 August 2017</i>	<u>3,934,387</u>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	728,293	636,603
Auditors' remuneration - audit	7,000	7,900
Auditors' remuneration - other services	8,100	4,830
Operating lease rentals	<u>12,220</u>	<u>7,478</u>

THE YARE EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	9,324,242	7,896,578
Social security costs	872,328	726,545
Operating costs of defined benefit pension schemes	2,043,512	1,723,798
	<u>12,240,082</u>	<u>10,346,921</u>
Agency staff costs	84,359	179,467
Staff restructuring costs	1,272	6,700
	<u><u>12,325,713</u></u>	<u><u>10,533,088</u></u>

b. Non-statutory/non-contractual staff severance payments

Included within staff restructuring costs is one non-statutory / non-contractual severance payment amounting to £1,272 made on 24 July 2018.

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	214	183
Administration and support	235	186
Management	23	16
	<u>472</u>	<u>385</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	190	155
Administration and support	131	101
Management	19	16
	<u>340</u>	<u>272</u>

THE YARE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. STAFF COSTS (continued)

d. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	6	1
In the band £70,001 - £80,000	0	1
In the band £130,001 - £140,000	0	1
In the band £140,001 - £150,000	1	0

All 7 of the above employees participated in the Teachers' Pension Scheme.

e. Key management personnel

The key management personnel of the 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 Trust was **£635,559** (2017: £463,656).

THE YARE EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. CENTRAL SERVICES

The Trust has provided the following central services to its schools during the year:

Posts of:

- Chief Executive Officer to act as Accounting Officer for the Trust who provides expertise and support to all schools in all educational matters
- Director of Schools to support primary schools
- Chief Finance Officer and full time Assistant Schools' Business Manager
- Company Secretary and Chief Privacy Officer
- Estates Manager
- Well-Being Officer
- Information Technology Systems Manager.

In addition, the following is offered centrally:

- Financial services support
- Human Resources including Occupational Health
- Payroll services
- Insurance
- Data Protection Officer service
- Training and Inset provision through the Teaching School
- Governance support and training
- Provision of services to schools previously received via the County Council: Admissions, Educational Visits advice, Free Schools Meals eligibility checking, Health and Safety, Safeguarding, Trade Union Facilities
- Appointment of accountants and provision of year-end audit
- Appointment and provision of the internal audit service across the Trust
- An ongoing programme of procurement services to realise economies of scale across the Trust.
- Legal services

The Trust charges for these services on the following basis:

A flat percentage of GAG income (5%).

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
Thorpe St Andrew School and Sixth Form	410,369	164,958
Hillside Avenue Primary and Nursery School	74,085	29,933
Dussindale Primary School	65,131	25,954
Hemblington Primary School	32,099	-
North Walsham Infant School and Nursery	27,770	-
North Walsham Junior School	33,443	-
	<u>642,897</u>	<u>220,845</u>
Total		

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018 £	2017 £
Ian Clayton (Chief Executive and Trustee)	Remuneration	140,000-145,000	130,000-135,000
	Pension contributions paid	20,000-25,000	20,000-25,000
Anita Gutteridge (Staff Trustee to 7 February 2017)	Remuneration	0	25,000-30,000
	Pension contributions paid	0	0-5,000

During the year ended 31 August 2018, expenses totalling £25 (2017 - £66) were reimbursed to 1 Trustee (2017 - 1).

12. TRUSTEES' AND OFFICERS' INSURANCE

The 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 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.

13. PENSION INTEREST

	2018 £	2017 £
Interest income on pension scheme assets	86,000	43,000
Interest on pension scheme liabilities	(203,000)	(125,000)
	<u>(117,000)</u>	<u>(82,000)</u>

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FOR THE YEAR ENDED 31 AUGUST 2018**

14. TANGIBLE FIXED ASSETS

	Leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2017	36,124,198	23,136	71,924	144,255	36,363,513
Additions	550	-	31,039	80,546	112,135
Transferred on conversion	4,216,659	-	-	-	4,216,659
At 31 August 2018	40,341,407	23,136	102,963	224,801	40,692,307
Depreciation					
At 1 September 2017	583,981	5,784	10,774	36,064	636,603
Charge for the year	652,246	4,338	15,509	56,200	728,293
At 31 August 2018	1,236,227	10,122	26,283	92,264	1,364,896
Net book value					
At 31 August 2018	39,105,180	13,014	76,680	132,537	39,327,411
At 31 August 2017	35,540,217	17,352	61,150	108,191	35,726,910

15. DEBTORS

	2018 £	2017 £
Trade debtors	16,008	54,722
VAT repayable	116,235	158,100
Prepayments and accrued income	390,292	364,251
	<u>522,535</u>	<u>577,073</u>

16. CURRENT ASSET INVESTMENTS

	2018 £	2017 £
Fixed term deposits	<u>450,000</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

17. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	414,036	509,791
Other taxation and social security	226,370	188,916
Other creditors	82,323	176,555
Accruals and deferred income	332,885	398,511
	<u>1,055,614</u>	<u>1,273,773</u>
	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	180,643	-
Resources deferred during the year	202,285	180,643
Amounts released from previous years	(180,643)	-
Deferred income at 31 August 2018	<u>202,285</u>	<u>180,643</u>

At the balance sheet date the Trust had received the following income relating to the period after the balance sheet date:

- Free School Meals funding (£114,460)
- Rates relief grant income (£38,899)
- Trip income (£29,804)
- Other income (£19,122)

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Designated funds						
AWP Sinking Fund	22,382	-	-	17,268	-	39,650
General funds						
General Funds	2,068,526	809,795	(57,935)	(415,162)	-	2,405,224
Total Unrestricted funds	2,090,908	809,795	(57,935)	(397,894)	-	2,444,874
Restricted funds						
	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
General Annual Grant (GAG)	-	12,772,459	(12,331,422)	(219,334)	-	221,703
Pupil Premium	64,740	419,147	(492,228)	8,341	-	-
Universal Infant Free School Meals	1,164	163,839	(161,518)	-	-	3,485
PE and Sports grant	14,560	72,510	(87,070)	-	-	-
Conversion grants	-	50,000	(21,600)	-	-	28,400
Devolved Formula Capital	-	75,805	(75,805)	-	-	-
Condition Improvement Funding	373,470	375,006	(432,576)	41,546	-	357,446
Regional Growth Funding	23,277	-	(23,277)	-	-	-
Teaching School	16,448	52,743	(73,532)	4,341	-	-
Nursery funding	-	127,043	(119,344)	-	-	7,699
Cluster funding	-	45,031	(45,031)	-	-	-
SEN funding	-	205,304	(205,304)	-	-	-
Rates relief	-	62,718	(62,718)	-	-	-
Other Government grants	-	28,108	(28,108)	-	-	-
Other restricted donations	-	27,697	(26,388)	-	-	1,309
Pension reserve	(3,988,000)	(782,000)	(1,049,000)	460,000	1,063,000	(4,296,000)
	(3,494,341)	13,695,410	(15,234,921)	294,894	1,063,000	(3,675,958)

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Assets transferred on conversion	35,247,703	4,216,659	(671,565)	-	-	38,792,797
Capital donation	8,000	-	(2,000)	-	-	6,000
Capital assets purchased from GAG	462,433	-	(51,124)	103,000	-	514,309
Capital assets purchased from donations	6,730	-	(2,009)	-	-	4,721
Capital assets purchased from Pupil Premium	2,044	-	(681)	-	-	1,363
	<u>35,726,910</u>	<u>4,216,659</u>	<u>(727,379)</u>	<u>103,000</u>	<u>-</u>	<u>39,319,190</u>
Total restricted funds	<u>32,232,569</u>	<u>17,912,069</u>	<u>(15,962,300)</u>	<u>397,894</u>	<u>1,063,000</u>	<u>35,643,232</u>
Total of funds	<u>34,323,477</u>	<u>18,721,864</u>	<u>(16,020,235)</u>	<u>-</u>	<u>1,063,000</u>	<u>38,088,106</u>

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

The General Annual Grant (GAG) is for the normal running costs of the schools within the Trust. The following transfers have been made from the GAG: £460,000 to restricted pension reserve representing the cost of employer contributions towards the Local Government Pension Scheme, £103,000 for capital expenditure from the GAG fund and £8,341 to Pupil Premium and £41,546 to Condition Improvement funding for amounts overspent. Transfers totalling £135,688 were made from unrestricted funds for Central Services provided. Transfers of £257,865 have then been made from unrestricted funds to clear deficits arising on specific individual school GAG funds.

All Weather Pitch Sinking Fund – funds are set aside for the replacement of the surface of the pitch, which is expected to be in 9 to 10 years depending on condition and other key components of the facility such as lighting and fencing.

The Pupil Premium income has been provided by the ESFA to help raise the attainment of disadvantaged pupils.

Funding was received from the ESFA to assist with the provision of Universal Infant Free School Meals.

The PE and sports grant represents funding received towards the cost of improving PE provision.

Conversion Grants are awarded on conversion to Academy status. These monies are spent on legal costs and other transition expenses.

Devolved Formula Capital funding is received for minor capital works and ICT replacement within the Trust.

Condition Improvement Funding was received during the year for replacement roofing works at Thorpe St Andrew School and Sixth Form.

Regional Growth Funding was provided by the Department for Education to support the Trust in taking on additional schools and raising the standards in other schools.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. STATEMENT OF FUNDS (continued)

Teaching School funding includes grant income from the NCTL to support the Trust's work both within the Trust itself and with our Alliance partners, in delivering recruitment and retention in teaching, development of future leaders, high quality continuous professional development and support to schools. The main purpose of a Teaching School is to be the school improvement arm of the Trust and alliance schools. The grant is to be used to support this core purpose.

Nursery Funding is utilised to employ appropriate staff for the Nursery on site at Hillside Avenue Primary and Nursery School and North Walsham Infant School and Nursery.

Cluster and SEN Funding is focused on children with special educational needs, and is utilised on SEN co-ordinators and additional teaching resources orientated to support normal curriculum learning.

Rates relief is received from the ESFA towards the cost of rates for the Trust.

Other Government grants and other restricted donations include various amounts received for specific purposes.

The Pension reserve deficit at the year end was £4,296,000 and represents the Trust's share of the deficit of the relevant Local Government Pension Schemes.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

ANALYSIS OF SCHOOLS BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Thorpe St Andrew School and Sixth Form	2,512,040	2,260,761
Hillside Avenue Primary and Nursery School	51,769	64,084
Dussindale Primary School	40,856	55,453
Hemblington Primary School	61,555	34,649
North Walsham Infant School and Nursery	19,478	-
North Walsham Junior School	147,729	-
Central Services	231,489	169,620
Total before fixed asset fund and pension reserve	3,064,916	2,584,567
Restricted fixed asset fund	39,319,190	35,726,910
Pension reserve	(4,296,000)	(3,988,000)
Total	<u>38,088,106</u>	<u>34,323,477</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

ANALYSIS OF SCHOOLS BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £	Total 2017 £
Thorpe St Andrew School and Sixth Form	6,671,613	1,040,377	97,990	1,636,978	9,446,958	9,526,758
Hillside Avenue Primary and Nursery School	1,210,811	240,890	15,970	330,402	1,798,073	1,902,706
Dussindale Primary School	1,103,009	200,075	25,389	262,706	1,591,179	1,591,538
Hemblington Primary School	541,414	94,911	8,732	157,104	802,161	127,785
North Walsham Infant School and Nursery	530,129	102,682	11,810	68,580	713,201	-
North Walsham Junior School	483,676	106,126	13,074	105,103	707,979	-
Central Services	-	-	1,537	230,854	232,391	72,067
	<u>10,540,652</u>	<u>1,785,061</u>	<u>174,502</u>	<u>2,791,727</u>	<u>15,291,942</u>	<u>13,220,854</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 28 July 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
AWP Sinking Fund	-	-	-	22,382	-	22,382
General Funds	-	3,136,682	(30,548)	(1,037,608)	-	2,068,526

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

18. STATEMENT OF FUNDS (continued)

Restricted funds

	<i>Balance at 28 July 2016</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2017</i>
	£	£	£	£	£	£
General Annual Grant (GAG)	-	11,119,564	(11,273,176)	153,612	-	-
Pupil Premium	-	351,634	(296,052)	9,158	-	64,740
Universal Infant Free School Meals	-	58,812	(57,648)	-	-	1,164
PE and Sports grant	-	19,350	(4,790)	-	-	14,560
Conversion grants	-	25,000	(25,000)	-	-	-
Devolved Formula Capital Condition Improvement Funding	-	54,101	(54,101)	-	-	-
Regional Growth Funding	-	452,943	(79,473)	-	-	373,470
Teaching School	-	50,000	(26,723)	-	-	23,277
Nursery funding	-	99,100	(82,652)	-	-	16,448
Cluster funding	-	69,970	(81,314)	11,344	-	-
SEN funding	-	61,516	(61,516)	-	-	-
SGO funding	-	187,389	(187,389)	-	-	-
Core Maths funding	-	23,797	(23,880)	83	-	-
Rates relief	-	24,569	(24,569)	-	-	-
Other restricted donations	-	53,592	(53,592)	-	-	-
Pension reserve	-	18,170	(9,431)	(8,739)	-	-
	-	(3,878,000)	(849,000)	348,000	391,000	(3,988,000)
	-	8,791,507	(13,190,306)	513,458	391,000	(3,494,341)

Restricted fixed asset funds

Assets transferred on conversion	-	35,851,745	(604,042)	-	-	35,247,703
Capital donation	-	10,000	(2,000)	-	-	8,000
Capital assets purchased from GAG	-	-	(27,871)	490,304	-	462,433
Capital assets purchased from donations	-	-	(2,009)	8,739	-	6,730
Capital assets purchased from Pupil Premium	-	-	(681)	2,725	-	2,044
	-	35,861,745	(636,603)	501,768	-	35,726,910
Total restricted funds	-	44,653,252	(13,826,909)	1,015,226	391,000	32,232,569
Total of funds	-	47,789,934	(13,857,457)	-	391,000	34,323,477

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	8,221	-	39,319,190	39,327,411
Current assets	2,471,699	1,640,610	-	4,112,309
Creditors due within one year	(35,046)	(1,020,568)	-	(1,055,614)
Provisions for liabilities and charges	-	(4,296,000)	-	(4,296,000)
	<u>2,444,874</u>	<u>(3,675,958)</u>	<u>39,319,190</u>	<u>38,088,106</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	35,726,910	35,726,910
Current assets	2,090,908	1,767,432	-	3,858,340
Creditors due within one year	-	(1,273,773)	-	(1,273,773)
Provisions for liabilities and charges	-	(3,988,000)	-	(3,988,000)
	<u>2,090,908</u>	<u>(3,494,341)</u>	<u>35,726,910</u>	<u>34,323,477</u>

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	2,701,629	33,932,477
Adjustment for:		
Depreciation charges	728,293	636,603
Dividends, interest and rents from investments	(8,134)	(7,789)
Decrease/(increase) in debtors	54,537	(577,072)
(Decrease)/increase in creditors	(218,158)	1,273,772
Capital grants from DfE and other capital income	(517,174)	(269,249)
Defined benefit pension scheme obligation inherited	782,000	3,878,000
Defined benefit pension scheme cost less contributions payable	472,000	419,000
Defined benefit pension scheme finance cost	117,000	82,000
Net (gain) on assets and liabilities from local authority on conversion	(4,384,214)	(38,406,768)
Capital donation	-	(10,000)
Net cash (used in)/provided by operating activities	<u>(272,221)</u>	<u>950,974</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	2,082,494	2,229,557
Notice deposits (less than 3 months)	1,057,280	1,051,710
Total	<u>3,139,774</u>	<u>3,281,267</u>

22. CONVERSION TO AN ACADEMY

On 1 February 2018 North Walsham Junior School and North Walsham Infant School and Nursery converted to academy status under the Academies Act 2010 and all the operations, assets and liabilities were transferred to The Yare Education Trust from Norfolk County Council for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	4,216,659	4,216,659
Budget surplus/(deficit) on LA funds	167,555	-	-	167,555
LGPS pension surplus/(deficit)	-	(782,000)	-	(782,000)
Net assets/(liabilities)	<u>167,555</u>	<u>(782,000)</u>	<u>4,216,659</u>	<u>3,602,214</u>

The above net assets include £167,555 that were transferred as cash.

23. CAPITAL COMMITMENTS

At 31 August 2018 the Trust had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	<u>-</u>	<u>423,473</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Norfolk Pension Fund. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £Nil were payable to the schemes at 31 August 2018 (2017 - 175,848) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £1,111,944 (2017 - £955,782).

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24. PENSION COMMITMENTS (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £598,000 (2017 - £456,000), of which employer's contributions totalled £460,000 (2017 - £348,000) and employees' contributions totalled £138,000 (2017 - £108,000). The agreed contribution rates for future years are 18.8-21.3% for employers and 5.5-12.5% for employees.

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

Norfolk Pension Fund

Principal actuarial assumptions:

	2018	2017
Discount rate	2.80 %	2.50 %
Salary increase rate	2.60 %	2.70 %
Pension increase rate	2.30 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.4	24.4
Retiring in 20 years		
Males	24.1	24.1
Females	26.4	26.4

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate -0.1%	236,600	180,000
Salary increase rate +0.1%	46,400	41,000
Pension increase rate +0.1%	186,800	135,200

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**NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	2,161,380	1,633,080
Debt instruments	1,440,920	658,500
Property	508,560	289,740
Cash	127,140	52,680
Total market value of assets	<u>4,238,000</u>	<u>2,634,000</u>

The actual return on scheme assets was £206,000 (2017 - £278,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Current service cost	(932,000)	(767,000)
Interest income	86,000	43,000
Interest cost	(203,000)	(125,000)
Total	<u>(1,049,000)</u>	<u>(849,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2018 £	2017 £
Opening defined benefit obligation	6,622,000	-
Current service cost	932,000	767,000
Interest cost	203,000	125,000
Employee contributions	138,000	108,000
Actuarial gains	(943,000)	(156,000)
Benefits paid	(33,000)	(43,000)
Liabilities assumed in a business combination	1,615,000	5,821,000
Closing defined benefit obligation	<u>8,534,000</u>	<u>6,622,000</u>

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(A company limited by guarantee)

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24. PENSION COMMITMENTS (continued)

Movements in the fair value of the Trust's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	2,634,000	-
Interest income	86,000	43,000
Return on assets excluding amounts included in net interest	120,000	235,000
Employer contributions	460,000	348,000
Employee contributions	138,000	108,000
Benefits paid	(33,000)	(43,000)
Assets acquired in a business combination	833,000	1,943,000
	<u>4,238,000</u>	<u>2,634,000</u>
Closing fair value of scheme assets	<u>4,238,000</u>	<u>2,634,000</u>

25. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	10,079	8,020
Between 1 and 5 years	13,455	10,476
Total	<u>23,534</u>	<u>18,496</u>

26. MEMBERS' LIABILITY

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

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NOTES TO THE FINANCIAL STATEMENTS
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27. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Expenditure Related Party Transactions

During the year the spouses of Alfonso Gotts and Owen Jenkins, Trustees, were employed as members of the Trust's educational support staff and the daughter of Alfonso Gotts was employed as an invigilator. Their appointments were made in open competition and those Trustees were not involved in the decision making process regarding their family member's appointment. These related parties are paid within the normal pay scale for their roles and receive no special treatment as a result of their relationships to a Trustee.

28. AGENCY ARRANGEMENTS

The Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2018 the Trust received £30,895 and disbursed £12,495 from the fund. The Trust used £1,425 (5%) of the fund as a contribution towards its own administrative costs which has been recognised in the Trust's Statement of Financial Activities as permitted by the ESFA. An amount of £16,975 is included in other creditors relating to undistributed funds that are repayable to the ESFA.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

29. TEACHING SCHOOL TRADING ACCOUNT

	2018 £	2018 £	2017 £	2017 £
INCOME				
DIRECT INCOME				
Grant income	52,743		99,100	
OTHER INCOME				
Generated income	38,489		15,536	
TOTAL INCOME		91,232		114,636
EXPENDITURE				
DIRECT EXPENDITURE				
Direct staff costs	75,533		34,955	
Training and course fees	38,841		36,034	
Other direct costs	-		70	
TOTAL DIRECT EXPENDITURE	114,374		71,059	
OTHER EXPENDITURE				
Other staff costs	15,820		10,132	
Other support costs	1,273		3,704	
TOTAL OTHER EXPENDITURE	17,093		13,836	
TOTAL EXPENDITURE		131,467		84,895
TRANSFERS BETWEEN FUNDS EXCLUDING DEPRECIATION		4,341		-
(DEFICIT) / SURPLUS FROM ALL SOURCES		(35,894)		29,741
TEACHING SCHOOL BALANCES AT 1 SEPTEMBER 2017		29,741		-
TEACHING SCHOOL BALANCES AT 31 AUGUST 2018		(6,153)		29,741