

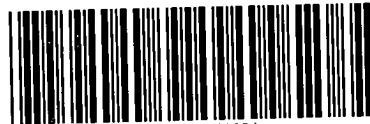
PETERBOROUGH DIOCESE EDUCATION TRUST

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2017

THURSDAY



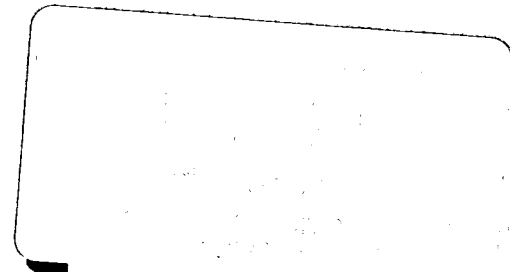
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PETERBOROUGH DIOCESE EDUCATION TRUST

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PETERBOROUGH DIOCESE EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Directors

Dr J Herrick (Chairman)
Mr K Binley
Mrs H Buckley
Mr M Cowland
Mr P Goringe (Resigned 16 September 2016)
Mrs M Holman
Canon M Robinson
Mr G Cracknell
Mrs C Armstrong
Mr A Weatherill

Members

Canon M P H Robinson
(representative of Peterborough Diocese Church Schools Trust (PDCST))
Bishop J Holbrook
(representative of Diocese of Peterborough Board of Education - appointee of PDCST)
Dr. R. Whittaker
(representative of Bishop Stopford School - appointee of PDCST)
Dr J Herrick (Chair of Directors)

Senior management team

Canon M P H Robinson (Chief Executive)
Mrs H J K Buckley (Legal Advisor)
Mr M J Cowland (Business Director)
Mrs F M Le Pla (School Improvement Officer)

Company registration number

8509710

Registered office

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

PETERBOROUGH DIOCESE EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated

Barby
Braunston
Collingtree
Cottingham
Cranford
Easton Garford
Great Addington
Greens Norton
Isham
Loddington
Mears Ashby
Milton
Pytchley
Ringstead
Ryhall
St Andrews
St Barnabas
St James
St Luke's
Staverton
Towcester
Weldon
Head office

Location

Rugby
Northampton
Northampton
Market Harborough
Kettering
Peterborough
Northampton
Northampton
Kettering
Kettering
Northampton
Northampton
Kettering
Northampton
Stamford
Kettering
Wellingborough
Northampton
Northampton
Northampton
Towcester
Corby
Northampton

Headteacher

Jody Toone
Gwenda Barker
Rebecca Osborne
Ashley Scott
Julie Grey
Katy Walker
Richard Meekings
Sue Marsh
Kirstin Howarth
Neil Aiken
Julie Grey
Steve Hollingshurst
Julia Havlickova
Laura Buckley
Katy Walker
Ben Arnell
Sue Campbell
Sarah Beach
Sonia Clews
Julie Letts
Jo Griffin
Lynne Wildman

Independent auditor

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

Bankers

Barclays Bank Plc
Cambridge

Lloyds Bank Plc
Northampton

Yorkshire Bank Plc
Northampton

Santander Bank Plc
Northampton

Solicitors

Stone King
Boundary House
91 Charterhouse Street
London
EC1M 6HR

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

Peterborough Diocese Education Trust (PDET) is a multi academy trust established to provide a home for schools in the Diocese of Peterborough who wish to convert to academy status or who are compelled by the Government to convert. There were twenty-two academies in PDET as at 31 August 2017.

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a directors' report, and a directors' report under company law.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The directors are the trustees of Peterborough Diocese Education Trust and are also the directors of the charitable company for the purposes of company law. Details of the directors who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Method of recruitment and appointment or election of directors

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

Policies and procedures adopted for the induction and training of directors

Directors undertake external training provided by Diocese of Peterborough. An induction process has been developed by a small task group of Directors.

Organisational structure

The management structure consists of four levels: the Members, the Directors, the Local Governing Boards and the Headteachers. The following committees of the Board of Directors have been formed:

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

The aim of the management structure is to devolve responsibility to academies built on a system of earned autonomy based around two separate Schemes of Delegation. The Chief Executive of the Multi Academy Trust is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

Directors benchmark the pay and remuneration of key management personnel in various ways. The Pay and Personnel Committee commissioned Hays to provide them with an external benchmarking report for the salaries of the Chief Executive and Business Director and the committee regularly reviews vacancies and the associated salaries of similar posts in similarly growing Multi Academy Trusts.

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Related parties and other connected charities and organisations

PDET's sponsor is the Diocese of Peterborough.

PS Financials is a related by virtue of common directorship.

Objectives and activities

Objects and aims

PDET's object is specifically restricted to the following:

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

- i. Church of England schools designated as such will be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education; and
- ii. Other academies whether with or without a designated religious character, but in relation to each of the academies to recognise and support their individual ethos, whether or not designated Church of England

Objectives, strategies and activities

PDET aims to establish a network of successful academies within the Diocese of Peterborough, which provide a high quality of education for our children. PDET's first academy opened in May 2014 with three more following that academic year. Twelve further academies opened during the twenty-four months between September 2014 and August 2016 and another six opened in the following year. PDET will continue to work with local authorities, the Government and individual schools to raise the standards of education within the Diocese of Peterborough.

Public benefit

The directors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Strategic report

Achievements and performance

This is the fourth year of operation of Peterborough Diocese Education Trust; the annual report covers the period from 1 September 2016 to 31 August 2017. At the start of the reporting year, we had 16 open academies. Six more schools, two of which are sponsored conversions, joined us during the course of the year:

1. St Luke's Church of England Primary School (1 November 2016)
2. Greens Norton Church of England Primary School (1 March 2017)
3. Collingtree Church of England Primary School (1 April 2017)
4. Mears Ashby Church of England Endowed School (1 April 2017)
5. Cranford Church of England Primary School (1 July 2017)
6. Isham Church of England Primary School (1 July 2017)

PDET featured in Schools Week's list of the top twenty fastest growing MATs in the country in 2016-17.

With the exception of Ryhall CE Academy, which is within the Rutland local authority, all our academies fall within Northamptonshire local authority.

Expansion

During the academic/financial year 2017-18, PDET plans to continue to expand to meet demand from schools. There are three schools with academy orders and a further eight where the local governing board has voted to join PDET. The Board of Directors will continue to manage academy conversions to ensure that PDET has the capacity to support schools joining the Trust and also to maintain a balance of sponsored and converter academies. To ensure financial viability, attention will also be paid to the numbers of pupils on roll. The total number of pupils the Trust currently educates is 3,850. This number of pupils means that PDET will receive a capital funding allocation directly from the Education Funding Agency to deploy strategically across our schools to address our priority maintenance and expansion needs.

Strategic developments 2016/2017

The Board of Directors operates four committees to enable the in-depth review of an issue before making a recommendation to the Board for a decision. To allow for improved scrutiny of the audit process, internal controls and compliance with the Academies Financial Handbook, the business management committee divided this year into a business and finance committee and a separate audit committee. One of the first actions of the audit committee was to commission an additional assurance report.

After a successful pilot in the autumn term, the new financial system was fully implemented in the spring term. The financial system enables greater oversight over finances and stronger financial controls.

A Director of Learning and Achievement took up post on 1 September 2016 but resigned in the spring term. The post will be advertised again in the autumn term.

PDET is committed to the flourishing of the 'whole child' and offers an enrichment programme for pupils comprising a reflection day at the Cathedral for year 6 pupils facing the transition to secondary school; a Going for Gold Sports Day for from year 2 to year 4 and a maths enrichment day for year 5 pupils. This programme will be extended in the next academic year to include a Faith Roadshow for year 4 pupils to help prepare them for life in modern Britain.

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Key performance indicators

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

Four academies received their first Ofsted inspection since joining PDET. Two of the academies were sponsored and all four academies achieved a good grading. Ofsted commented on the support provided by the trust.

'The support provided by the Peterborough Diocese Education Trust is good. Leaders of the trust and external consultants have provided effective training to staff. Teachers' share expertise and productive partnerships exist with other schools across the trust.' (Ofsted, St Andrews, May 2017)

'You have been effectively supported by the Peterborough Diocese Education Trust, which has provided guidance and brokered specialists to train teachers and leaders'. (Ofsted, Barby, June 2017)

At the time of writing, validated school performance tables have not been published. However, the un-validated headline data shows that pupils, who have been educated in PDET academies for two or more years, continue to perform above or in line with the expected standard nationally:

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

				All PDET Academies:	PDET Academies 2+ years:
				(22 Academies)	(13 Academies)
2017 EYFS: Good Level of Development (%):					
	PDET Cohort Size:			567	323
	PDET GLD:			73.4	73.1
	National GLD:			70.7	70.7
	Difference:			2.7	2.4
2017 Year 1 Phonics Expected Standard (%):					
	PDET Cohort Size:			560	318
	PDET Year 1 Phonics Standard:			83.4	81.5
	National GLD:			81	81
	Difference:			2.4	0.5
2017 Key Stage 1 Standards (%):					
	PDET Cohort Size:			580	332
	PDET Reading Expected Standard:			80.3	78.3
	National Reading Expected Standard:			76	76
	Difference:			4.3	2.3
	PDET Writing Expected Standard:			76	72
	National Writing Expected Standard:			68	68
	Difference:			8	4
	PDET Maths Expected Standard:			79.4	78
	National Maths Expected Standard:			75	75
	Difference:			4.4	3
	PDET RWM Combined Expected Standard:			68.5	66.4
				21 PDET Academies:	12 PDET Academies:
2017 Key Stage 2 Standards:					
	PDET Cohort Size:			472	246
	PDET Reading Expected Standard:			75.4	72.4
	National Reading Expected Standard:			71	71
	Difference:			4.4	1.4
	PDET Writing Expected Standard:			77.1	77.6
	National Writing Standard:			76	76
	Difference:			1.1	1.6
	PDET Maths Expected Standard:			74.6	75.6
	National Maths Expected Standard:			75	75
	Difference:			-0.4	0.6
	PDET EGPS Expected Standard:			81.6	82.1
	National Expected Standard:			77	77
	Difference:			4.6	5.1
	PDET RWM Combined Expected Standard:			61.2	61
	National RWM Expected Standard:			61	61
	Difference:			0.2	0

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Going concern

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

Financial review

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

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

The trust submitted a number of applications to the Condition Improvement Fund (CIF) and was successful in attracting approximately £400,000 for much needed roof work at St Barnabas CE Primary School, Milton Parochial Primary School and Towcester CE Primary School as well as a successful bid for boiler replacement work at Towcester CE Primary School.

The trust also submitted an application to the Regional Academy Growth Fund and was successful with a £100,000 bid to set up a common assessment practice and data system, develop governors and governance, improve consistency of standards and expand the annual enrichment experiences for children.

The trust has worked hard on improving the consolidated financial reporting but had acknowledged the shortcomings of its former finance system. In 2015/16 the trust commissioned CIPFA to support it with the procurement of a new finance system across the trust with the aim of having it in place by Easter 2017. The contract was awarded to PS Financials and a pilot with six academies plus the central team commenced in December 2016. All academies were using PS Financials from March 2017 and the trust now has the ability to produce and present accurate and consolidated financial reports.

Directors were keen to test the market for the provision of audit and accountancy services so tendered for the services. Proposals were received from six interested partners and the Audit Committee heard presentations from three. The contract was awarded to Moore Stephens meaning PDET was able to benefit from financial savings over previous years.

During the year, 22 academies moved to a new finance system. PDET supported this improvement by commissioning the services of SAAF Education to enable a smooth and effective transition.

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

Reserves policy

Directors review the level of reserves of the Academy Trust annually. Directors will seek to carry forward a prudent level of reserves both in the Academy Trust and the Academies to meet the long term needs of renewal and any other unforeseen contingencies plus a contribution towards future capital projects. The academies are advised to carry forward reserves equivalent to 5% of their annual GAG or £20,000 (whichever is higher) each year to cover unexpected catastrophic failures. Academies holding less than this are instructed to work towards it in their budget planning.

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

PDET holds funds at 31 August 2017 of £(1,546,071), comprising unrestricted funds of £2,779,453, restricted general funds of £11,874, restricted pension reserve of £(5,691,000) and restricted fixed asset funds of £1,353,602.

The fund balances are adequate to fulfil the obligations of PDET.

Investment policy and powers

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

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

Principal risks and uncertainties

The principle risks and uncertainties and our strategies for managing these are identified in the PDET Risk Register. Committees of the Directors monitor the risks delegated to them at regular intervals. Our main areas of risk include insufficient demand, failing standards, sudden unexpected catastrophic failure, health and safety and safeguarding.

Plans for future periods

PDET continues to have ambitions for steady and sensible growth. Academy Orders have been issued for Welford, Sibbertoft and Sulby Endowed School, Silverstone CE Primary School, Blakesley CE Primary School and Guilsborough CEVA Primary School and there are a further eight schools where the governing body has voted to join PDET. The Board of Directors will 'stagger' academy conversions to ensure that it has the capacity to support schools joining PDET and also to maintain a balance of sponsored and convertor academies. These academies will help us to ensure that our fixed costs are met while giving us an increased ability to provide a higher level of school improvement support.

Auditor

In so far as the directors are aware:

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

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

The directors report, incorporating a strategic report, was approved by order of the board of directors, as the company directors, on 26 December 2017 and signed on its behalf by:

Dr J Herrick
Chairman



PETERBOROUGH DIOCESE EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

Scope of responsibility

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

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

PETERBOROUGH DIOCESE EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Governance

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

Directors	Meetings attended	Out of a possible
Dr J Herrick	7	7
Mr K Binley	4	7
Mrs H J K Buckley (Chair)	5	7
Mr M J Cowland	7	7
Mrs M F Holman	7	7
Canon M P H Robinson (CEO and Accounting Officer)	7	7
Mr G Cracknell	7	7
Mrs C Armstrong	7	7
Mr A Weatherill	6	7

PDET commissioned Lee Bolton Monier Williams to conduct an external review of governance in July 2016. The key extracts from this review can be seen in the 2015/16 Financial Statements. The trust will be commissioning a second review of governance in 2017/18.

The **Business Management Committee** was a committee of the main board of Directors. Its purpose was to maintain an oversight of PDET's finances, human resources, payroll, administration, marketing, health & safety, premises, insurance and ICT. It also fulfilled the function of an Audit Committee. The Business Management Committee had no executive powers or operational responsibilities / duties.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
C Armstrong	1	1
K Binley	1	1
M Cowland	1	1
G Dean (non Director)	1	1
B Hansford (non Director)	1	1
Canon M P H Robinson (CEO)	1	1
A Weatherill	1	1

Given the development of PDET and the desire to create a separate Audit Committee, it was considered appropriate to split up the Business Management Committee, and create two new committees – an Audit Committee and a Business & Finance Committee.

The newly created **Business & Finance Committee** is a committee of the main board of Directors. Its purpose is to maintain an oversight of PDET's finances, the financial implications of human resources, payroll, administration, marketing, health & safety, premises, insurance, ICT and catering. The Business & Finance Committee has no executive powers or operational responsibilities / duties. Attendance at meetings in the year was as follows:

PETERBOROUGH DIOCESE EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Director	Meetings attended	Out of a possible
C Armstrong	3	4
K Binley (Chair)	4	4
M Cowland	4	4
G Dean (non Director)	4	4
B Hansford (non Director)	3	4
Canon M P H Robinson (CEO)	3	4

The newly created **Audit Committee** is a committee of the main board of Directors. Its purpose is to maintain an oversight of PDET's governance, risk management, internal control, and value for money framework. The Audit Committee has no executive powers or operational responsibilities / duties. During the year, C Armstrong joined the committee.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
C Armstrong	2	2
M Cowland	3	3
Canon M P H Robinson (CEO)	3	3
A Weatherill (Chair)	2	2

The **Governance Committee** is also a committee of the main board of directors. Its purpose is to consider applications and maintain an oversight of Local Governors, ensure the effectiveness of Local Governing Bodies and to consider changes to and determine each academy's admissions policy. The committee is authorised to act within its terms of reference or on projects specifically delegated to it by the Board.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
H Buckley	4	4
Natalie Howes (non Director)	3	4
Monica Juan (non Director)	3	4
J Herrick (Chair)	4	4

The **Ethos, Standards and Effectiveness Committee** is also a committee of the main board of directors. Its purpose is to have oversight of the overall effectiveness of the ethos, standards and performance of academies within PDET. During the year, Revd M Gompertz joined the committee and C Davies left the committee.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
G Cracknell (Chair)	6	6
M Holman	3	6
Frances Le Pla (non Director)	3	6
Canon M Robinson (CEO)	6	6
H Spenceley (non Director)	5	6
C Davies (non Director)	2	2
Revd M Gompertz (non Director)	4	4

PETERBOROUGH DIOCESE EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Review of value for money

As accounting officer, Canon M P H Robinson has responsibility for ensuring that PDET delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

Professional Services:

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

- We completed a competitive tender process with CIPFA for a new financial management system. The tender process and subsequent negotiations ensured we entered into the contract at the best possible price;
- We completed a competitive tender process for the provision of audit and accountancy services. The tender process and subsequent negotiations ensured we entered into the contract at the best possible price and are paying less per academy for the service than previous years;
- The tender process for audit and accountancy services enabled us to look at our supplier for the Teacher's Pension Audit. We split this away from the audit and accountancy services and are paying significantly less per academy than previous years;
- We have continued to procure legal support for academy conversions at a reduced price by combining the contract with the legal retainer contract and by offering a number of academy conversions;
- We have worked with the Parish Buying Scheme to procure mobile phones for staff in the central team. This has ensured best value;
- We have procured academy improvement services at a reduced cost by clustering academies and offering a larger contract than single schools;
- We have made multiple savings on staff training and development;
- We have procured budget software savings;
- We retendered our insurance programme and were able to procure additional per pupil insurance savings;
- All PDET academies now receive the Diocesan Service Level agreement from their 5% central support charge. This saves our twenty-two academies up to £1,000 each.

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

Employment:

PDET has benefitted from time donated by the Diocese of Peterborough's Director of Education and the Deputy Director of Education to establish and support the trust. This time and their existing relationships with staff have been crucial to support our development.

Other "in kind" support from the Diocese of Peterborough has included office space. PDET is based within the Diocese of Peterborough's education office and benefits from heavily subsidised accommodation costs.

PETERBOROUGH DIOCESE EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

External funding:

PDET submitted a number of applications to the Condition Improvement Fund (CIF) and was successful in attracting approximately £400,000 for much needed roof work at St Barnabas CE Primary School, Milton Parochial Primary School and Towcester CE Primary School as well as a successful bid for boiler replacement work at Towcester CE Primary School. PDET also submitted an application to the Regional Academy Growth Fund and was successful with a £100,000 bid to set up a common assessment practice and data system, develop governors and governance, improve consistency of standards and expand the annual enrichment experiences for children.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Peterborough Diocese Education Trust for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of directors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of directors.

The risk and control framework

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

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

PETERBOROUGH DIOCESE EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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

- to appoint Moore Stephens as internal auditor

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

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

On an annual basis, the auditor reports to the Board of Directors, through the Audit Committee, on the operation of the systems of control and on the discharge of the Board of Directors financial responsibilities.

The internal audit team has commenced a rolling programme and has visited the academies selected for year one. Additional Business Manager and Bursar training on how the new finance system is operated in the academies has been highlighted to the Board of Directors as the main area of improvement, alongside an update of the Financial Regulations.

Review of effectiveness

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

- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the Business Director and Financial Controller within the academy trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the board of directors on 26 December 2017 and signed on its behalf by:



Canon M P H Robinson
Accounting Officer



Dr J Herrick
Chairman

PETERBOROUGH DIOCESE EDUCATION TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2017

As accounting officer of Peterborough Diocese Education Trust I have considered my responsibility to notify the academy trust board of directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2016.

I confirm that I and the academy trust's board of directors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



Canon M P H Robinson
Accounting Officer
26 December 2017

PETERBOROUGH DIOCESE EDUCATION TRUST

STATEMENT OF DIRECTORS RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

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

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

In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

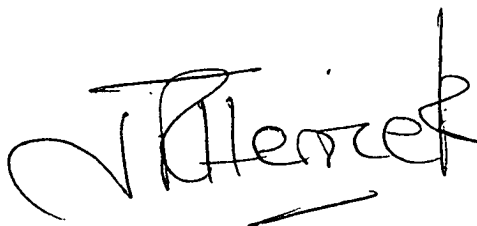
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with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

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

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

Approved by order of the board of directors on 26 December 2017 and signed on its behalf by:

Dr J Herrick
Chairman



PETERBOROUGH DIOCESE EDUCATION TRUST

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

Opinion

We have audited the accounts of Peterborough Diocese Education Trust for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

PETERBOROUGH DIOCESE EDUCATION TRUST

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

In preparing the accounts, the directors are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

PETERBOROUGH DIOCESE EDUCATION TRUST

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

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

30,12,17
.....

Chartered Accountants
Statutory Auditor

Rutland House
Minerva Business Park
Lynch Wood
Peterborough
PE2 6PZ

PETERBOROUGH DIOCESE EDUCATION TRUST

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

In accordance with the terms of our engagement letter dated 25 July 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Peterborough Diocese Education Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Peterborough Diocese Education Trust's funding agreement with the Secretary of State for Education dated 30 September 2014 and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

PETERBOROUGH DIOCESE EDUCATION TRUST

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Moore Stephens

Reporting Accountant

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

Dated: 30 December 2017

PETERBOROUGH DIOCESE EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

		Unrestricted Funds	Restricted funds:		Total 2017	Total 2016
	Notes	£	General	Fixed asset	£	£
			£	£		
Income and endowments from:						
Donations and capital grants	3	380,090	-	516,475	896,565	94,858
Donations - transfer from local authority on conversion	25	478,275	(984,000)	-	(505,725)	(746,905)
Charitable activities:						
- Funding for educational operations	4	-	15,201,577	-	15,201,577	11,601,350
Other trading activities	5	169,359	476,500	-	645,859	511,822
Investments	6	682	-	-	682	1,627
Total income and endowments		1,028,406	14,694,077	516,475	16,238,958	11,462,752
Expenditure on:						
Charitable activities:						
- Educational operations	8	202,881	16,564,561	116,111	16,883,553	12,160,201
Total expenditure	7	202,881	16,564,561	116,111	16,883,553	12,160,201
Net income/(expenditure)		825,525	(1,870,484)	400,364	(644,595)	(697,449)
Transfers between funds		(205,666)	-	205,666	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	1,469,000	-	1,469,000	(1,960,000)
Net movement in funds		619,859	(401,484)	606,030	824,405	(2,657,449)
Reconciliation of funds						
Total funds brought forward		2,159,594	(5,277,640)	747,572	(2,370,474)	286,975
Total funds carried forward		2,779,453	(5,679,124)	1,353,602	(1,546,069)	(2,370,474)

PETERBOROUGH DIOCESE EDUCATION TRUST

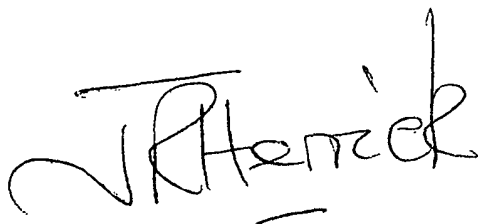
BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	12	1,353,602	747,572
Current assets			
Stocks	13	2,752	-
Debtors	14	977,674	528,064
Cash at bank and in hand		2,931,693	2,521,321
		<u>3,912,119</u>	<u>3,049,385</u>
Current liabilities			
Creditors: amounts falling due within one year	15	(1,120,792)	(600,431)
Net current assets		<u>2,791,327</u>	<u>2,448,954</u>
Net assets excluding pension liability		<u>4,144,929</u>	<u>3,196,526</u>
Defined benefit pension liability	19	(5,691,000)	(5,567,000)
Net assets		<u>(1,546,071)</u>	<u>(2,370,474)</u>
Funds of the academy trust:			
Restricted funds	17		
- Fixed asset funds		1,353,602	747,572
- Restricted income funds		11,874	289,360
- Pension reserve		(5,691,000)	(5,567,000)
Total restricted funds		<u>(4,325,524)</u>	<u>(4,530,068)</u>
Unrestricted income funds	17	<u>2,779,453</u>	<u>2,159,594</u>
Total funds		<u>(1,546,071)</u>	<u>(2,370,474)</u>

The accounts set out on pages 23 to 50 were approved by the board of directors and authorised for issue on 26 December 2017 and are signed on its behalf by:

Dr J Herrick
Chairman



Company Number 08509710

PETERBOROUGH DIOCESE EDUCATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Net cash provided by operating activities	20		615,356		699,223
Cash flows from investing activities					
Dividends, interest and rents from investments		682		1,627	
Capital grants from DfE and EFA		255,416		-	
Capital funding from sponsors and others		261,059		-	
Payments to acquire tangible fixed assets		(722,141)		(635,261)	
			(204,984)		(633,634)
Cash flows from financing activities					
Change in cash and cash equivalents in the reporting period			410,372		65,589
Cash and cash equivalents at 1 September 2016			2,521,321		2,455,732
Cash and cash equivalents at 31 August 2017			<u>2,931,693</u>		<u>2,521,321</u>

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

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

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

The directors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from [name of predecessor school] to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in [(for net gain) Donations – transfer from local authority on conversion/ (for net loss) Charitable activities – transfer from local authority on conversion] in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. [Include specific details of nature and valuation of fixed assets including the allocation between land & buildings and other fixed assets, pension and other assets and liabilities transferred as appropriate]. Further details of the transaction are set out in note 25.

1.4 Income

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

Grants receivable

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

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

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

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

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Expenditure on raising funds

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

Charitable activities

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

Governance costs

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

1.6 Tangible fixed assets and depreciation

Assets costing £1000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	30 years
Computer equipment	5 years
Fixtures, fittings & equipment	5 years
Motor vehicles	5 years

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

1.7 Liabilities

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

1.8 Leasing and hire purchase commitments

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

1.9 Financial instruments

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

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Financial assets

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

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

Financial liabilities

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

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

1.10 Stock

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

1.11 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.12 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, 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 are recognised in the period to which they relate.

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

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.13 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency.

1.14 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:-

PDET 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 material adjustment to the carrying amounts of assets and liabilities with 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 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 the note to the accounts, will impact the carrying amount of the pension's liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 August 2017 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

Management have applied their judgement in determining the rates at which classes of fixed assets should be depreciated. The rates applied are shown in the accounting policy above.

The pension liability is assessed by an independent actuarial valuation.

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

2 Comparative year information

Year ended 31 August 2016	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Income and endowments from:				
Donations and capital grants	-	94,858	-	94,858
Donations - transfer from local authority on conversion	203,589	(1,098,000)	147,506	(746,905)
Charitable activities:				
- Funding for educational operations	-	11,601,350	-	11,601,350
Other trading activities	511,822	-	-	511,822
Investments	1,627	-	-	1,627
Total income and endowments	717,038	10,598,208	147,506	11,462,752
Expenditure on:				
Charitable activities:				
- Educational operations	5,503	12,074,743	79,955	12,160,201
Total expenditure	5,503	12,074,743	79,955	12,160,201
Net income/(expenditure)	711,535	(1,476,535)	67,551	(697,449)
Transfers between funds	(341,980)	-	341,980	-
Other recognised gains and losses				
Actuarial losses on defined benefit pension schemes	-	(1,960,000)	-	(1,960,000)
Net movement in funds	369,555	(3,436,535)	409,531	(2,657,449)

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Private sponsorship	-	-	-	94,858
Donated fixed assets	-	212	212	-
Capital grants	-	516,263	516,263	-
Other donations	380,090	-	380,090	-
	380,090	516,475	896,565	94,858

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
DfE / ESFA grants				
General annual grant (GAG)	-	12,821,622	12,821,622	9,651,699
Start up grants	-	340,000	340,000	-
Other DfE / ESFA grants	-	1,659,111	1,659,111	1,219,606
	-	14,820,733	14,820,733	10,871,305
Other government grants				
Local authority grants	-	380,844	380,844	730,045
Total funding	-	15,201,577	15,201,577	11,601,350

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Other income	169,359	476,500	645,859	511,822

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Other investment income	682	-	682	1,627

7 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2017 £	Total 2016 £
Academy's educational operations					
- Direct costs	10,240,796	-	1,590,430	11,831,226	9,393,198
- Allocated support costs	2,466,220	1,064,780	1,521,327	5,052,327	2,767,003
	12,707,016	1,064,780	3,111,757	16,883,553	12,160,201

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

7 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2017	2016
	£	£
Fees payable to auditor for:		
- Audit	25,000	33,345
- Other services	5,000	15,150
Operating lease rentals	17,259	41,375
Depreciation of tangible fixed assets	116,111	76,126
Bank interest payable	-	5,503
	<u> </u>	<u> </u>

Central services

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

- Education Support
- Estates
- Training
- Finance
- Accountancy

PDET charges for these services on the following basis:

- flat 5% of income.

The actual amounts charged during the year as follows:

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

7 Expenditure

(Continued)

The amounts charged during the year were as follows:

	Total £
Barby	25,059
Braunston	36,893
Collingtree	15,036
Cottingham	25,720
Cranford	3,559
Easton Garford	11,231
Great Addington	22,678
Greens Norton	12,803
Isham	3,520
Loddington	23,703
Mears Ashby	7,705
Milton	22,643
Pytchley	23,855
Ringstead	24,528
Ryhall	26,557
St Andrews	56,954
St Barnabas	34,568
St James	89,785
St Luke's	59,161
Staverton	22,150
Towcester	52,328
Weldon	37,408
Head office	-
	<u>637,844</u>

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Direct costs - educational operations	163,452	11,783,885	11,947,337	9,393,198
Support costs - educational operations	39,429	4,896,787	4,936,216	2,767,003
	<u>202,881</u>	<u>16,680,672</u>	<u>16,883,553</u>	<u>12,160,201</u>

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

8 Charitable activities

(Continued)

Analysis of costs	2017 £	2016 £
Direct costs		
Teaching and educational support staff costs	10,225,796	7,951,506
Staff development	15,000	94,726
Depreciation and amortisation	116,111	76,126
Technology costs	180,316	209,534
Educational supplies and services	419,106	666,509
Other direct costs	991,008	394,797
	<u>11,947,337</u>	<u>9,393,198</u>
Support costs		
Support staff costs	2,466,220	1,060,710
Technology costs	105,883	39,037
Recruitment and support	483,672	3,588
Maintenance of premises and equipment	454,467	281,619
Cleaning	160,685	40,980
Energy costs	158,085	140,433
Rent and rates	38,872	41,375
Insurance	97,828	150,175
Security and transport	38,732	2,617
Catering	19,238	72,482
Finance costs	-	5,503
Other support costs	808,260	555,970
Governance costs	104,274	372,514
	<u>4,936,216</u>	<u>2,767,003</u>

9 Staff costs

	2017 £	2016 £
Wages and salaries	10,169,547	7,676,487
Operating costs of defined benefit pension schemes	2,287,414	1,320,729
Staff costs	<u>12,456,961</u>	<u>8,997,216</u>
Supply staff costs	232,015	-
Staff restructuring costs	-	15,000
Staff development and other staff costs	18,040	94,726
Total staff expenditure	<u>12,707,016</u>	<u>9,106,942</u>

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

9 Staff costs

(Continued)

Staff numbers

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

	2017 Number	2016 Number
Teachers	181	119
Administration and support	218	144
Management	2	2
	<u>401</u>	<u>265</u>

Higher paid staff

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

	2017 Number	2016 Number
£60,000 - £70,000	<u>4</u>	<u>3</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2016: £15,000).

Key management personnel

The key management personnel of the academy trust comprise the directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £81,303 (2016: 65,386).

10 Directors remuneration and expenses

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

The value of directors remuneration and other benefits was as follows:

Mr M Cowland (Director)

- Remuneration £50,000 - £55,000 (2016: £45,000- £50,000)
- Employer's pension contributions £5,000 - £10,000 (2016: £5,000-£10,000)

Mrs H Buckley (Director)

- Remuneration £10,000 - £15,000 (2016: £10,000-£15,000)
- Employer's pension contributions £0,000 - £5,000 (2016: £0,000-£5,000)

During the year, travel and subsistence payments totalling £1,535 was reimbursed or paid directly to 2 individuals.

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

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

11 Directors and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £3,943 (2016: £1,376). The cost of this insurance is included in the total insurance cost.

12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2016	383,383	145,478	292,525	19,010	840,396
Additions	378,812	218,198	120,881	4,250	722,141
At 31 August 2017	762,195	363,676	413,406	23,260	1,562,537
Depreciation					
At 1 September 2016	8,126	44,773	34,864	5,061	92,824
Charge for the year	21,896	47,507	42,833	3,875	116,111
At 31 August 2017	30,022	92,280	77,697	8,936	208,935
Net book value					
At 31 August 2017	732,173	271,396	335,709	14,324	1,353,602
At 31 August 2016	375,257	100,705	257,661	13,949	747,572

13 Stocks

	2017 £	2016 £
Uniforms	2,752	-

14 Debtors

	2017 £	2016 £
Trade debtors	53,034	4,137
VAT recoverable	472,804	185,318
Other debtors	2,144	-
Prepayments and accrued income	449,692	338,609
	977,674	528,064

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

15	Creditors: amounts falling due within one year	2017	2016
		£	£
	Trade creditors	320,207	12,731
	Other taxation and social security	206,427	137,902
	Other creditors	1,946	2,323
	Accruals and deferred income	592,212	447,475
		<u>1,120,792</u>	<u>600,431</u>
16	Deferred income	2017	2016
		£	£
	Deferred income is included within:		
	Creditors due within one year	<u>410,786</u>	<u>281,767</u>
	Deferred income at 1 September 2016	281,767	129,493
	Released from previous years	(281,767)	(129,493)
	Amounts deferred in the year	<u>410,786</u>	<u>281,767</u>
	Deferred income at 31 August 2017	<u>410,786</u>	<u>281,767</u>

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant	289,358	12,821,622	(13,099,106)	-	11,874
Start up grants	-	340,000	(340,000)	-	-
Other DfE / ESFA grants	-	1,659,111	(1,659,111)	-	-
Other government grants	-	380,844	(380,844)	-	-
Other restricted funds	-	476,500	(476,500)	-	-
	<u>289,358</u>	<u>15,678,077</u>	<u>(15,955,561)</u>	<u>-</u>	<u>11,874</u>
Funds excluding pensions	(5,567,000)	(984,000)	(609,000)	1,469,000	(5,691,000)
	<u>(5,277,642)</u>	<u>14,694,077</u>	<u>(16,564,561)</u>	<u>1,469,000</u>	<u>(5,679,126)</u>
Restricted fixed asset funds					
DfE / ESFA capital grants	747,572	516,263	(116,111)	205,666	1,353,390
Private sector capital sponsorship	-	212	-	-	212
	<u>747,572</u>	<u>516,475</u>	<u>(116,111)</u>	<u>205,666</u>	<u>1,353,602</u>
Total restricted funds	<u>(4,530,070)</u>	<u>15,210,552</u>	<u>(16,680,672)</u>	<u>1,674,666</u>	<u>(4,325,524)</u>
Unrestricted funds					
General funds	<u>2,159,594</u>	<u>1,028,406</u>	<u>(202,881)</u>	<u>(205,666)</u>	<u>2,779,453</u>
Total funds	<u>(2,370,476)</u>	<u>16,238,958</u>	<u>(16,883,553)</u>	<u>1,469,000</u>	<u>(1,546,071)</u>

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

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

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

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

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

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Funds

(Continued)

Movements in funds - previous year

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	253,084	9,651,699	(9,615,423)	-	289,360
Other DfE / ESFA grants	169,508	1,219,606	(1,389,114)	-	-
Other government grants	8,925	730,045	(738,970)	-	-
Other restricted funds	22,378	94,858	(117,236)	-	-
	<u>453,895</u>	<u>11,696,208</u>	<u>(11,860,743)</u>	<u>-</u>	<u>289,360</u>
Funds excluding pensions	(2,295,000)	(1,098,000)	(214,000)	(1,960,000)	(5,567,000)
	<u>(1,841,105)</u>	<u>10,598,208</u>	<u>(12,074,743)</u>	<u>(1,960,000)</u>	<u>(5,277,640)</u>
Restricted fixed asset funds					
Capital expenditure from GAG	338,041	147,506	(79,955)	341,980	747,572
	<u>338,041</u>	<u>147,506</u>	<u>(79,955)</u>	<u>341,980</u>	<u>747,572</u>
Total restricted funds	<u>(1,503,064)</u>	<u>10,745,714</u>	<u>(12,154,698)</u>	<u>(1,618,020)</u>	<u>(4,530,068)</u>
Unrestricted funds					
General funds	1,790,039	717,038	(5,503)	(341,980)	2,159,594
	<u>1,790,039</u>	<u>717,038</u>	<u>(5,503)</u>	<u>(341,980)</u>	<u>2,159,594</u>
Total funds	<u>286,975</u>	<u>11,462,752</u>	<u>(12,160,201)</u>	<u>(1,960,000)</u>	<u>(2,370,474)</u>

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Funds

(Continued)

Total funds analysis by academy

	Total £
Fund balances at 31 August 2017 were allocated as follows:	
Barby	78,817
Braunston	221,242
Collingtree	65,754
Cottingham	40,725
Cranford	36,908
Easton Garford	61,772
Great Addington	15,774
Greens Norton	83,699
Isham	(4,458)
Loddington	74,483
Mears Ashby	53,055
Milton	44,481
Pytchley	50,652
Ringstead	35,048
Ryhall	23,275
St Andrews	263,880
St Barnabas	333,695
St James	459,644
St Luke's	178,173
Staverton	45,592
Towcester	180,285
Weldon	62,061
Head office	386,770
Total before fixed assets fund and pension reserve	2,791,327
Restricted fixed asset fund	1,353,602
Pension reserve	(5,691,000)
Total funds	(1,546,071)

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Barby	336,941	69,701	42,219	111,816	560,677
Braunston	558,971	106,121	44,164	176,793	886,049
Collingtree	223,543	130,037	24,418	65,639	443,637
Cottingham	363,016	95,425	60,419	118,418	637,278
Cranford	52,412	13,062	909	22,772	89,155
Easton Garford	126,323	25,585	46,171	81,563	279,642
Great Addington	341,173	65,984	32,365	82,377	521,899
Greens Norton	170,938	70,558	13,665	55,566	310,727
Isham	57,622	12,116	7,134	7,858	84,730
Loddington	389,450	81,885	71,165	126,173	668,673
Mears Ashby	112,966	28,416	13,549	27,287	182,218
Milton	333,627	86,781	27,004	111,360	558,772
Pytchley	385,948	74,297	51,070	110,018	621,333
Ringstead	362,642	80,608	52,370	98,955	594,575
Ryhall	393,715	95,091	34,508	129,891	653,205
St Andrews	959,899	172,966	83,513	235,504	1,451,882
St Barnabas	502,520	114,691	29,993	201,373	848,577
St James	1,578,033	554,464	177,797	311,957	2,622,251
St Luke's	877,092	109,017	83,737	399,649	1,469,495
Staverton	321,709	84,583	46,846	99,795	552,933
Towcester	922,973	226,395	70,431	289,239	1,509,038
Weldon	517,177	160,405	71,171	84,620	833,373
Head office	-	130,037	97,566	263,084	490,687
	<u>9,888,690</u>	<u>2,588,225</u>	<u>1,182,184</u>	<u>3,211,707</u>	<u>16,870,806</u>

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Funds

(Continued)

Funds analysis by academy - previous year

	Total 2016 £
Fund balances at 31 August 2016 were allocated as follows:	
Barby	214,655
Braunston	200,929
Cottingham	24,004
Easton Garford	75,828
Great Addington	13,535
Loddington	97,114
Milton	56,533
Pytchley	46,780
Ringstead	38,535
Ryhall	47,411
St Andrews	262,784
St Barnabas	192,943
St James	581,165
Staverton	44,984
Towcester	155,749
Weldon	78,258
Head office	317,747
Total before fixed assets fund and pension reserve	2,448,954
Restricted fixed asset fund	747,572
Pension reserve	(5,567,000)
Total funds	(2,370,474)

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Funds

(Continued)

Total cost analysis by academy - previous year

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2016
	£	£	£	£	£
Barby	211,630	143,030	13,602	108,292	476,554
Braunston	494,491	209,404	36,637	126,271	866,803
Cottingham	184,739	31,766	39,400	37,744	293,649
Easton Garford	92,443	60,716	18,170	102,676	274,005
Great Addington	265,147	134,214	45,431	59,558	504,350
Loddingon	264,135	129,761	70,450	79,442	543,788
Milton	264,721	110,569	39,874	62,081	477,245
Pytchley	307,603	119,095	49,866	66,408	542,972
Ringstead	276,034	146,000	60,391	59,822	542,247
Ryhall	262,106	160,320	37,211	96,066	555,703
St Andrews	647,201	395,427	57,731	236,007	1,336,366
St Barnabas	342,397	243,673	27,306	2,134	615,510
St James	1,175,217	793,893	229,283	189,990	2,388,383
Staverton	227,214	127,834	33,854	82,534	471,436
Towcester	317,806	192,020	21,630	71,507	602,963
Weldon	195,015	117,692	34,591	60,679	407,977
Head office	-	368,904	51,213	785,862	1,205,979
	<u>5,527,899</u>	<u>3,484,318</u>	<u>866,640</u>	<u>2,227,073</u>	<u>12,105,930</u>

18 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds: General	Fixed asset	Total 2017
	£	£	£	£
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	1,353,602	1,353,602
Current assets	2,779,453	1,132,666	-	3,912,119
Creditors falling due within one year	-	(1,120,792)	-	(1,120,792)
Defined benefit pension liability	-	(5,691,000)	-	(5,691,000)
	<u>2,779,453</u>	<u>(5,679,126)</u>	<u>1,353,602</u>	<u>(1,546,071)</u>

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	747,572	747,572
Current assets	2,159,594	889,791	-	3,049,385
Creditors falling due within one year	-	(600,431)	-	(600,431)
Defined benefit pension liability	-	(5,567,000)	-	(5,567,000)
	<u>2,159,594</u>	<u>(5,277,640)</u>	<u>747,572</u>	<u>(2,370,474)</u>

19 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Northamptonshire County Council and Rutland County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' 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.

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Pensions and similar obligations

(Continued)

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 (currently 14.1%))
- 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%

During the previous year the employer contribution rate was 14.1%. 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 the TPS in the period amounted to £969,000 (2016: £723,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 22.6% for employers and 5.8% for employees.

The LGPS obligation relates to the employees of the academy trust who were employees transferred as part of the conversion from the maintained school (as described in note 25) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

Total contributions made	2017 £	2016 £
Employer's contributions	703,000	521,000
Employees' contributions	174,000	131,000
Total contributions	<u>877,000</u>	<u>652,000</u>

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Pensions and similar obligations

(Continued)

Principal actuarial assumptions	2017 %	2016 %
Rate of increases in salaries	2.70%	4.00%
Rate of increase for pensions in payment	2.40%	2.10%
Discount rate	2.50%	2.00%

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

	2017 Years	2016 Years
Retiring today		
- Males	22.1	22.3
- Females	24.2	24.3
Retiring in 20 years		
- Males	23.9	24.0
- Females	26.1	26.6

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

	2017 Fair value £	2016 Fair value £
Equities	3,254,000	1,953,920
Bonds	714,000	522,880
Cash	136,000	55,040
Property	311,000	220,160
Total market value of assets	4,415,000	2,752,000

Actual return on scheme assets - gain/(loss)	586,937	255,000
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Amounts recognised in the statement of financial activities

	2017 £	2016 £
Current service cost (net of contributions)	(474,000)	(101,000)
Interest cost	(135,000)	(113,000)
Total operating charge	(609,000)	(214,000)

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Pensions and similar obligations

(Continued)

Changes in the present value of defined benefit obligations	2017 £	2016 £
Obligations at 1 September 2016	8,319,000	3,626,000
Current service cost	1,177,000	622,000
Interest cost	202,000	184,000
Employee contributions	174,000	131,000
Actuarial (gain)/loss	(1,058,000)	2,288,000
Benefits paid	(49,000)	-
Liabilities assumed on a business combination	1,341,000	1,468,000
At 31 August 2017	10,106,000	8,319,000

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

	2017 £	2016 £
Assets at 1 September 2016	2,752,000	1,331,000
Other changes	6,000	-
Return on plan assets	67,000	71,000
Actuarial gain	405,000	328,000
Employer contributions	703,000	521,000
Employee contributions	174,000	131,000
Benefits paid	(49,000)	-
Assets acquired in a business combination	357,000	370,000
At 31 August 2017	4,415,000	2,752,000

The actual return on scheme assets was £586,397 (2016 - £255,000).

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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

	2017 £	2016 £
Net expenditure for the reporting period	(644,595)	(697,449)
Adjusted for:		
Investment income receivable	(682)	(1,627)
Capital grants from DfE/ESFA and other capital income	(516,477)	-
Depreciation of tangible fixed assets	116,111	76,126
(Increase) in stocks	(2,752)	-
(Increase) in debtors	(449,610)	(152,318)
Increase in creditors	520,361	162,491
Pension funds on acquisition	984,000	1,098,000
Other pension adjustments	609,000	214,000
Net cash provided by operating activities	615,356	699,223

21 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017 £	2016 £
Amounts due within one year	20,315	20,315
Amounts due in two and five years	27,320	27,320
	47,635	47,635

22 Capital commitments

At 31 August 2017, PDET had capital commitments of £nil (2016 - £nil).

23 Related party transactions

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

Goods and services totalling £128,349 were purchased from PS Financials.

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2016.

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

24 Members' liability

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

25 Conversion to an academy

On the dates as shown, the 6 academies stated below converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Peterborough Diocese Education Trust from the Northamptonshire Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net loss in the statement of financial activities as donations – transfer from local authority on conversion.

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

Academy	Location	Date of conversion
Collingtree	Northampton	1 April 2017
Cranford	Kettering	1 July 2017
Greens Norton	Northampton	1 March 2017
Isham	Kettering	1 July 2017
Mears Ashby	Northampton	1 April 2017
St Luke's	Northampton	1 November 2016

Net assets transferred:	2017
	£
LGPS pension surplus/(deficit)	(984,000)
Budget surplus on LA Funds	478,275
	<u>(505,725)</u>

	Unrestricted Funds	Restricted funds:		Total 2017
	£	General	Fixed asset	£
Funds surplus/(deficit) transferred:	£	£	£	£
LA Revenue funds	478,275	-	-	478,275
LGPS pension funds	-	(984,000)	-	(984,000)
	<u>478,275</u>	<u>(984,000)</u>	<u>-</u>	<u>(505,725)</u>