

PETERBOROUGH DIOCESE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

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PETERBOROUGH DIOCESE EDUCATION TRUST

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PETERBOROUGH DIOCESE EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Directors

Mr D Mills (Chief Executive Officer)
Mr P Cantley (Resigned 30 September 2020)
Dr G Temple
Mrs N Howes (Appointed 26 September 2019)
Mr A Scarborough (Appointed 26 September 2019)
Mrs JR Martin (Appointed 19 December 2019)
Mr K Binley
Mr G Cracknell (Vice Chair)
Mrs M Holman (Chair)
Mr A Sodhi (Appointed 8 April 2020)
Mr A J Weatherill
Mrs C Armstrong

Members

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

Senior management team

Mr D Mills (Chief Executive Officer)
Mrs H J Buckley (Director of Legal, Governance, Safeguarding, Admissions and GDPR)
Mr L B Hughes (Director of Business and Finance)
Mrs R H Walker-Green (Director of Learning and Achievement)

Company registration number

8509710

Registered office

Bouverie Court
6 The Lakes
Bedford Road
Northampton
NN4 7YD

PETERBOROUGH DIOCESE EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated

Blakesley
Kislingbury
Oundle
St Mary's
Spratton
Trinity
Barby
Braunston
Collingtree
Cottingham
Cranford
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
Silverstone
Guilsborough
Welford, Sibbertoft & Sulby
Freeman's Endowed C of E School

Location

Towcester
Kislingbury
Oundle
Kettering
Spratton
Kettering
Daventry
Daventry
Northampton
Corby
Kettering
Kettering
Towcester
Kettering
Kettering
Northampton
Northampton
Kettering
Wellingborough
Stamford
Kettering
Wellingborough
Northampton
Northampton
Daventry
Towcester
Corby
Northampton
Towcester
Northampton
Northampton
Wellingborough

Headteacher

Sally Beaton
Neil Tyler
Janet McMurdo
Erica Holt
Michelle Pye
Scott Dainty
Scott Dainty
Liana Willis
Rebecca Osborne
Ashley Scott
Richard Albert
Richard Meekings
Sue Marsh
Kirstin Howarth
Neil Aiken
Neil Aitken
Rebecca Osborne
Tania Watts
Helen Roberts
Katy Walker
Ben Arnell
Sue Campbell
Sarah Beach
Sonia Clews
Brian Irvine
Jo Griffin
Kirstin Howarth

James Bloomfield
Katie Shilliam
Michelle Pye
Fiona Hull

Independent auditor

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

Bankers

Barclays Bank Plc
Cambridge

Lloyds Bank Plc
Northampton

Solicitors

Stone King
Boundary House
91 Charterhouse Street
London
EC1M 6HR

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The Directors present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Peterborough Diocese Education Trust (referred to as either PDET or the Trust) is a Multi-Academy Trust established to provide a home for Church of England schools in the Diocese of Peterborough who wish to convert to academy status or who are compelled by the Government to convert. There were thirty-one academies in PDET as at 31 August 2020.

Structure, governance and management

Constitution

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

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

Members' liability

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

Directors' indemnities

Directors benefit from unlimited indemnity insurance, as part of the RPA, to cover the liability of the Directors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to PDET.

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.

The Trust Governance Committee, which is a Committee of the Board of Directors, undertakes the process, on behalf of the Board, of identifying the skills needed, giving due consideration to the skills and experience mix of existing Directors and the need for diversity, to ensure the Board has the necessary skills to contribute fully to the Multi Academy Trust's development. The Committee is also responsible for sourcing potential directors, arranging interviews and subsequently recommending potential directors to the Board who, in turn, recommend to Members for appointment.

Policies and procedures adopted for the induction and training of Directors

PDET operates the 'GovernorHub' platform across the Trust, which enables Directors to access all documentation relevant to the Trust and training webinars. Additionally, all Directors undertake appropriate safeguarding training.

All Directors have access to The Key for Trust Leaders.

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Organisational structure

The organisational structure consists of the Members, the Directors, the Academy Governance Committees (AGCs), the Executive team and the Headteachers.

The Board has chosen to delegate responsibility for some areas of governance to its committees, among them the AGCs, thus implementing a scheme of collective / shared governance across PDET. In addition to the AGCs, the following Committees of the Board of Directors have been formed:

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

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 initially commissioned Hays to provide them with an external benchmarking report for the salary of the Chief Executive. The Pay and Personnel committee regularly reviews the pay of senior staff in PDET. The Executive team review vacancies and the associated salaries of appointments in the academies.

Trade union facility time

Relevant union officials

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

1

Full-time equivalent employee number

1.00

Percentage of time spent on facility time

Percentage of time

Number of employees

0%

-

1%-50%

-

51%-99%

-

100%

-

Percentage of pay bill spent on facility time

Total cost of facility time

12,356

Total pay bill

21,534,703

Percentage of the total pay bill spent on facility time

Less than 1%

Paid trade union activities

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

-

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Related parties and other connected charities and organisations

PDET's sponsor is the Diocese of Peterborough.

Engagement with employees: How the Trust engages with employees

As an employer of over 900 staff PDET takes seriously its responsibility of engaging staff in the development of the Trust. A weekly newsletter from the CEO is sent to all Academy Governance Committee members and Senior Leaders in the Trust, from where it is distributed to all staff members.

A nominated Headteacher attends the Board meeting as a staff representative and provides feedback through regular cluster meetings

The Executive Management Team holds regular school cluster meetings with all Headteachers on a termly basis.

The academy will not discriminate against disabled people and will make reasonable adjustments to workplaces and practices to enable individuals to work.

Any person who is or has become disabled will not be treated less favourably because of something connected with their disability. All reasonable adjustments will be fully considered to help and support disabled employees to remain in employment.

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 its children. PDET's first academy opened in May 2014 with three more following that academic year. An additional twenty-six academies opened during the 5 years between September 2014 and August 2020 with the latest academy joining this year. PDET will continue to work with local authorities, the Government and individual schools/academies to raise the standards of education within the Diocese of Peterborough.

Public benefit

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

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

This is the seventh year of operation of Peterborough Diocese Education Trust; the annual report covers the period from 1 September 2019 to 31 August 2020. At the start of the reporting year, the Trust had 30 open academies. With the exception of Ryhall CE Academy, which is in Rutland Local Authority and, therefore, the East Midlands and the Humber region, all of our other academies fall within Northamptonshire Local Authority and, therefore, within the North West London and South Central Regional Schools Commissioner's area.

The impact of the Covid-19 pandemic and related control measures cannot be underestimated on the workings of the Trust. However, prior to the closure of schools for the 'lockdown' in March 2020, there were a number of achievements. These included:

- A comprehensive academy improvement strategy which resulted in progress made by schools, to address the requirements of the new Education Inspection Framework
- Three successful Ofsted inspections; all schools were judged 'Good', one having previously been judged 'Inadequate'
- The implementation of a new local governance model, bringing alignment of accountability across the Trust
- The implementation of a new HR and payroll system
- A review of Directors' strategic planning
- Health and Safety training for all Heads and Chairs of Governors, followed by audits of the schools
- Works carried out by applying the School Conditions Allocation
- The appointment of a professional clerk
- The introduction of 'MyConcern', an online safeguarding system.

Following the restrictions being introduced, the focus turned to teaching the children of key workers and vulnerable learners whilst introducing remote learning for all other children. Risk assessments were a priority for returning learners in June 2020.

Expansion:

During the academic year 2020/21, PDET plans to consolidate and ensure the best levels of service for each of its academies; PDET will continue to seek opportunities that strengthen and enhance the Trust. Freeman's Endowed CE Primary Academy joined PDET on 1 November 2019. The Directors will continue to manage academy conversions to ensure that PDET has the capacity to support schools joining PDET and also to maintain a balance of sponsored and convertor academies.

To ensure financial viability, attention will also be paid to the numbers of pupils on roll. The total number of pupils the Trust currently educates is in excess of 5,500.

Governance

The Trust launched an ambitious three-year Strategic Plan in April 2019. The plan clearly sets out the Trust's vision and purpose and states an intention to grow to 40 academies by 2021. The accompanying annual Trust Wide Improvement Plan sets out how the Executive team deliver against the strategic objectives outlined in the Strategic Plan.

Strategic developments 2019/20

The Board received and reviewed the Trust-wide Improvement Plan 2019/20. This is the second annual plan that sits within PDET's Strategic Plan 2018 – 21. A number of the strategic developments are listed above, under 'Achievements and Performance'. However, in addition, others include:

- Continued development of the academy improvement strategy, including additional Academy Improvement Officer support and Teaching and Learning Consultancy support
- The appointment of internal auditors, as recommended by the AFH
- The investment in a fixed term appointment of a financial systems expert prior to the appointment of a permanent Head of Finance
- A more collaborative budget setting process.

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Strategic developments 2019/20

The Board received and reviewed the Trust-wide Improvement Plan 2019/20. This is the second annual plan that sits within PDET's Strategic Plan 2018 – 21. A number of the strategic developments are listed above, under 'Achievements and Performance'. However, in addition, others include:

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Educational Outcomes 2019/20

Ofsted Position

During the year 2019/20, 3 more academies received their first Ofsted inspection since joining PDET, under the new Education Inspection Framework. Ofsted outcomes since joining PDET are, therefore, as follows:

	Inadequate	Requires Improvement	Good	Outstanding
Ofsted judgements prior conversion	2	4	12	0
Ofsted judgements post conversion	0	2	16	0

The table above shows:

- 16/18 PDET academies are now judged as 'Good' following an Ofsted inspection
- Changes to Ofsted judgements in those academies that have been inspected whilst an academy within PDET. 2 schools that were previously judged as 'Requires Improvement' have moved to 'Good' and 2 schools that were judged as 'Inadequate' have also moved to 'Good'.

Some Ofsted comments for the most recent inspection (March 2020) are as follows:

'Senior leaders, together with the trust, have been unflinching in improving the school. They have strengthened the school team through careful recruitment and effective training. They ensure that everyone has high expectations of what pupils can learn and do. Pupils' achievement has improved across the school. Parents and carers appreciate that the school is well led. They welcome the 'huge improvements'.'

Present Ofsted Position of PDET (including predecessor schools' judgements prior to joining the Trust):

The table below shows the Ofsted judgements for all PDET academies (July 2020). This includes those academies that are still carrying a judgement pre-conversion.

Inspection Results: Schools and Academies (prior and post conversion) (30)			
Inadequate	RI	Good	Outstanding
1	3	22	4
(1 predecessor schools)	(All predecessor schools judged as RI)	(6 predecessor schools)	(All predecessor schools)

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

- 87% (26/30) of PDET academies are judged as 'Good' or better. (1 academy (Silverstone CE Primary School) has no prior predecessor Ofsted judgement.)

Performance (Pupil Outcomes)

There are no pupil outcomes to report for the period 2019/20 due to Covid-19.

The data below shows a comparison of PDET's outcomes (which includes all academies) compared to Northamptonshire over the last three years (with the exception of 2019/20). The difference between attainment in Northamptonshire and PDET remains significant.

KS2 Expected Standard (KS2 Combined RWM)			
	Trust Average	Northamptonshire Average	Difference
2017	61.6%	55.5%	+6.1%
2018	64.9%	61%	+3.9%
2019	65.1%	60%	+5.1%

The latest progress scores for all schools in the Trust indicate that in 2019, the Trust achieved the highest % of academies to achieve an Average+ Progress Measure for the last three years. This shows that the Trust is not complacent and continually strives to improve outcomes for pupils.

Progress Scores: Average or above			
Subject	2016-17	2017-18	2018-19
Reading	24/27 88.9%	24/29 82.8%	28/29 96.6%
Writing	23/27 85.2%	25/29 86.2%	26/29 89.7%
Maths	20/27 74.1%	19/29 65.5%	23/29 79.3%

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Key performance indicators

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

PDET has completed the Schools Resource Management Assessment tool, discussed the results at the Business and Finance Committee and set actions against the results. PDET will look to improve consistency of reporting throughout its schools and make use of internal benchmarking to ensure the Trust continues to be financial sustainable. A major success in this academic year is the launch of a new monthly reporting pack which is shared with the Chair of the Board and the Chair of the Business and Finance Committee.

The average size of a PDET academy is classed as small according to DFE metrics. Ensuring value-for-money (VfM) is key to ensuring the sustainability and viability of every PDET academy. Maintaining healthy cash levels is, therefore, a key strategic aim. PDET has determined a minimum level of 8% of total revenues to be a metric to review on a monthly basis.

Staff Costs as a % of total expenditure is a metric reviewed as part of the SRMA exercise with the Trust targeting a benchmark of 75 – 78%. In 2019/20 the actual result was 78%, 76% in 2018/19.

GAG as a % of total income is another metric reviewed with the result 82.5% in 2019/20, 84.7% in 2018/19. This KPI looks at the sustainability of the Trust based on the GAG income it receives. In the current year the % is reduced due to higher than anticipated capital incomes and other grants such as the teachers' pay and pension grants.

PDET has partnered with a new budgeting software provider offering a MAT focussed solution that will provide the senior leadership team with more insight and wider reporting capabilities. It will enhance commonality and has in-built links to the Trust's financial system meaning that real-time scenario planning and financial modelling is more achievable.

Going concern

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

The impact of Covid-19 is likely to increase the financial burden on PDET academies in terms of direct revenue losses from reduced facility hiring and/or reduction in wrap around provision. Added to these losses, are the cost implications of maintaining safe academies in areas such as cleaning and hygiene. As PDET consists of generally small, or very small, academies, PDET is also facing the financial impact of requiring cover when staff are self-isolating or ill, as there is little capacity to internally cover with existing staff.

However, due to prudent budget setting processes, the Directors believe that these financial impacts can be absorbed and any uncertainties mitigated by effective leadership. PDET academies are monitoring the financial impact of the pandemic on a monthly basis to ensure real time information is available to the Executive team.

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Financial review

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

A number of expenditure categories have been scrutinised in 2019-20 such as utilities and teaching and learning subscriptions from a group procurement perspective. Due to the pandemic, other contracts have been temporarily renegotiated. These procurement and cost avoidance activities have resulted in financial benefits in excess of £500K across the year.

Directors are aware of their responsibility to spend the School Condition Allocation (SCA) in the areas of most need. PDET has engaged S2E Ltd to manage the schedule of works outlined from condition surveys carried out in all of the academies. A new estates strategy will be developed in 2020-21 and all sites will receive a baseline review detailing condition needs. This will feed into the Asset Management Plan.

Directors have approved a process of budgeting, reforecasting and common presentation of management accounts. This ensures the academies, central team and Directors fully understand variances to budgets and are kept abreast of financial performance across the Trust.

The increase in pension liability continues to result in PDET having a technically insolvent balance sheet but, due to the long term nature and recovery of this liability, the Directors do not feel this is a major problem when assessing PDET's success. Liquidity remains strong with over £6.3m in easily accessible bank accounts. However, the dispersion of such balances, is providing the impetus to press forward with a single banking plan. Underlying profitability also remains strong, and once depreciation, pension actuarial restatements, and capital are removed, PDET has returned an operational surplus of £288K in 2019/20.

The in-year surplus, defined as all reserves excluding pension reserves and fixed assets is £0.2m, reflecting the change in total reserves on the same basis from £4.7m to £4.9m. The breakdown of the available reserves are as follows:

Unrestricted reserves	£3.9m
Restricted reserves	£0.3m
Capital	£0.7m

Reserves policy

Directors review the level of reserves of PDET annually. Directors seek to carry forward a prudent level of reserves, no less than 8% of annual revenues, which is generally accepted to be the industry standard for 'good'. The reserves policy states that all reserves are for PDET, as one single financial entity. Hence, in 2019/20, PDET has pooled all reserves including pensions. Academies will continue to keep all restricted funding directly allocated to them for 2020-21.

Investment policy

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

Future single banking will allow PDET to make use of the options noted in the Investment policy.

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Principal risks and uncertainties

The principle risks and uncertainties, and PDET's strategies for managing these, are identified in the PDET Risk Register. Monitoring of risks on behalf of the Directors has been delegated to the various committees; risks are monitored at each meeting.

Fundraising

PDET academies conduct limited fundraising activities, by, for example, parent teacher associations. A small number of lettings of academy facilities take place.

It is noted that GAG income alone is not enough to sustain PDET's academies so reliance is placed on ancillary revenues such as wrap around provision, holiday clubs and facilities hiring to supplement budgets. The current pandemic has highlighted the negative impact of losing substantial revenues on PDET academies. Directors note the great efforts academies are making to ensure they are fiscally responsible, whilst remaining safe for all children, staff and any visitors.

Plans for future periods

The Directors will 'stagger' academy conversions to ensure that PDET has the capacity to support schools joining the Trust. The level of support required in terms of academy improvement is assessed by a PDET Baseline Review which is part of the due diligence process. Balanced growth will help to ensure that fixed costs are met, whilst ensuring the necessary capacity is available for academy improvement support.

The impact of Covid-19 has shown the need to have effective fit-for-purpose ICT strategies and this is one of the main areas of focus in 2020/21 and beyond.

Funds Held as Custodian Trustee on Behalf of Others

None

Auditor

In so far as the Directors are aware:

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

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

The Directors' report, incorporating a strategic report, was approved by order of the board of Directors, as the company Directors, on 10 December 2020 and signed on its behalf by:



Mrs M Holman
Chair

PETERBOROUGH DIOCESE EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

As Directors we acknowledge we have overall responsibility for ensuring that Peterborough Diocese Education Trust (PDET) 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 Directors have delegated the day-to-day responsibility to Mr D Mills, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Peterborough Diocese Education Trust and the Secretary of State for Education.

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 8 times during the year. Attendance during the year at meetings of the board of Directors was as follows:

Directors	Meetings attended	Out of possible
Mr D Mills (Chief Executive Officer)	8	8
Mr P Cantley (Resigned 30 September 2020)	7	8
Dr G Temple	8	8
Mrs N Howes (Appointed 26 September 2019)	6	7
Mr A Scarborough (Appointed 26 September 2019)	6	7
Mrs JR Martin (Appointed 19 December 2019)	5	5
Mr K Binley	7	8
Mr G Cracknell (Vice Chair)	7	8
Mrs M Holman (Chair)	8	8
Mr A Sodhi (Appointed 8 April 2020)	3	3
Mr A J Weatherill	6	8
Mrs C Armstrong	8	8

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

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
K Binley (Chair)	6	6
C Armstrong	6	6
Duncan Mills (CEO))	6	6
B Hansford (non-Director)	5	6
Andrew Scarborough	2	4

PETERBOROUGH DIOCESE EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Review of value for money

As Accounting Officer, Mr D Mills 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.

PDET, through the Director of Business and Finance, has successfully negotiated with major suppliers through the pandemic to ensure continuity of supply in accordance with the Procurement Policy Notices 02/20 and 04/20. Where it could be demonstrated that suppliers were not profiteering from any arrangement, PDET continued to support its suppliers.

The Accounting Officer considers how PDET's use of its resources has provided good value for money during each academic year and reports to the 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 taking the following actions:

Professional Services:

PDET continues to pass over 95% of the General Annual Grant allocation to each academy, retaining 5% to provide an increasingly broad range of services. A full list of these is available at www.pdet.org.uk. It is worth noting that 45% of all income retained by the central team is reinvested directly in PDET's academy improvement strategy.

PDET has committed to increasing the services provided wherever possible. However, without changing the way things operate, PDET cannot simply add to offerings without reimbursement. Some examples of achieving greater value for money when purchasing professional services are as follows:

- PDET continues to work with the Litmus Partnership to procure catering services for 24 academies and ensures the arrangement with the catering provider works to the best advantage
- A new payroll and human resources system has been successfully launched using the services provided by the Schools' Buying Club improving compliance, control and reducing administrative costs
- PDET has continued to procure legal support for academy conversions at a reduced cost by combining the contract with the legal retainer contract
- Academy Improvement subscriptions have been procured at a reduced cost by offering a larger contract than for single schools
- Insurance provision has been renegotiated for all items not covered by the RPA
- All PDET academies have received a bespoke Diocesan Service Level agreement from their 5% central support charge
- A new 4-year energy procurement has been initiated through the DFE approved LASER framework. This includes a bureau service enabling academies to review how and when they use energy so carbon reduction plans, and ultimately cost savings, can be realised
- PDET has been successful in securing funding from the Rural Gigabit Program for 5 PDET academies to install Fibre-To-The-Premises networking connectivity
- Renegotiation of the contracts for PDET's financial system and budgeting systems has resulted in annual savings of £20,000.

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

PETERBOROUGH DIOCESE EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Employment:

Until January 2018, PDET benefitted from time donated by the Diocese of Peterborough's Director of Education. From 1 January 2018, PDET employed a full time Chief Executive Officer and delivered a step change in development.

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

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 PDET policies, aims and objectives,
- evaluate the likelihood of those risks being realised and the impact should they be realised,
- to manage the risks efficiently, effectively and economically.

The system of internal control has been in place in PDET for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

The Audit and Risk Committee was re-established in January 2020 and has approved RSM, an internal audit specialist, to provide internal scrutineering services to PDET for a three-year period from September 2020. Moore have continued to provide internal assurance in 2019-20, undertaking two separate reviews.

The first internal assurance engagement reviewed the month-end closedown process and concluded that, whilst significant improvement had been made in the central team, too much reliance was placed on academies to return ever increasingly challenging checklists, as governed by the Academies Financial Handbook.

The second engagement focussed on the new HR and Payroll system to assure that the operating system computed accurate balances, that security levels were appropriate and that authorisation and schemes of delegation were in place. The outcome of this engagement was positive.

Capacity to handle risk

The Directors have reviewed the key risks to which PDET is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Directors are of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Directors.

PETERBOROUGH DIOCESE EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The risk and control framework

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

- comprehensive budgeting and monitoring systems which include an annual budget and periodic financial reports, reviewed and agreed by the Directors
- regular reviews, by the Business and Finance Committee, of reports which indicate financial performance against the forecasts
- regular reviews, by the Business and Finance Committee, 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
- regular internal assurance engagements.

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

A new Financial Scheme of Delegation has been developed alongside a revised Financial Regulations Manual, both of which will be delivered to appropriate staff through 2020-21.

Review of effectiveness

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

- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the Director of Finance and Business, who has responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of the review of the system of internal control, by the Audit and Risk Committee. A plan to address weaknesses and ensure continuous improvement of the system, is in place.

Approved by order of the board of Directors on 10 December 2020 and signed on its behalf by:



Mr D Mills
Chief Executive Officer



Mrs M Holman
Chair

PETERBOROUGH DIOCESE EDUCATION TRUST

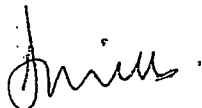
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2020

As accounting officer of Peterborough Diocese Education Trust I have considered my responsibility to notify the Academy Trust board of Directors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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 2019.

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



Mr D Mills
Accounting Officer

10 December 2020

PETERBOROUGH DIOCESE EDUCATION TRUST

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

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

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

In preparing these accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Directors on 10 December 2020 and signed on its behalf by:



Mrs M Holman
Chair

PETERBOROUGH DIOCESE EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of Peterborough Diocese Education Trust for the year ended 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 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 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

PETERBOROUGH DIOCESE EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the accounts

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

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

PETERBOROUGH DIOCESE EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

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



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

17.12.20



MOORE

Chartered Accountants
Statutory Auditor

Rutland House
Minerva Business Park
Lynch Wood
Peterborough
PE2 6PZ

PETERBOROUGH DIOCESE EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020, 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 2019 to 31 August 2020 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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)

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Moore

Reporting Accountant



MOORE

Rutland House
Minerva Business Park
Lynch Wood
Peterborough
PE2 6PZ

Dated: 17.12.20

PETERBOROUGH DIOCESE EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2020 £	Total 2019 £
Income and endowments from:					
Donations and capital grants	3	277,250	- 839,377	1,116,627	1,339,283
Donations - transfer from local authority on conversion		-	-	-	(255,884)
Donations - transfer of existing academy into the trust		94,372	(483,000) 112,376	(276,252)	52,000
Charitable activities:					
- Funding for educational operations	4	-	26,391,309	26,391,309	23,465,038
Other trading activities	5	392,429	305,538	697,967	1,247,985
Investments	6	7,186	-	7,186	7,281
Total		<u>771,237</u>	<u>26,213,847</u>	<u>27,936,837</u>	<u>25,855,703</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	572,264	28,115,735 383,554	29,071,553	26,866,274
Total	7	<u>572,264</u>	<u>28,115,735</u>	<u>29,071,553</u>	<u>26,866,274</u>
Net income/(expenditure)		198,973	(1,901,888) 568,199	(1,134,716)	(1,010,571)
Transfers between funds	17	89,396	49,722 (139,118)	-	-
Other recognised gains/(losses)					
Actuarial gains/(losses) on defined benefit pension schemes	19	-	177,000	177,000	(3,193,000)
Net movement in funds		288,369	(1,675,166) 429,081	(957,716)	(4,203,571)
Reconciliation of funds					
Total funds brought forward		3,637,043	(11,065,478) 2,743,888	(4,684,547)	(480,976)
Total funds carried forward		<u>3,925,412</u>	<u>(12,740,644)</u>	<u>(5,642,263)</u>	<u>(4,684,547)</u>

PETERBOROUGH DIOCESE EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2019 £
Income and endowments from:					
Donations and capital grants	3	400,774	29	938,480	1,339,283
Donations - transfer from local authority on conversion		580,116	(836,000)	-	(255,884)
Donations - transfer of existing academy into the trust		94,000	(132,000)	90,000	52,000
Charitable activities:					
- Funding for educational operations	4	-	23,465,038	-	23,465,038
Other trading activities	5	578,330	669,655	-	1,247,985
Investments	6	7,281	-	-	7,281
Total		<u>1,660,501</u>	<u>23,166,722</u>	<u>1,028,480</u>	<u>25,855,703</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	522,747	25,449,999	893,528	26,866,274
Total	7	<u>522,747</u>	<u>25,449,999</u>	<u>893,528</u>	<u>26,866,274</u>
Net income/(expenditure)		1,137,754	(2,283,277)	134,952	(1,010,571)
Transfers between funds	17	(232,917)	-	232,917	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	19	-	(3,193,000)	-	(3,193,000)
Net movement in funds		904,837	(5,476,277)	367,869	(4,203,571)
Reconciliation of funds					
Total funds brought forward		2,732,206	(5,589,201)	2,376,019	(480,976)
Total funds carried forward		<u>3,637,043</u>	<u>(11,065,478)</u>	<u>2,743,888</u>	<u>(4,684,547)</u>

PETERBOROUGH DIOCESE EDUCATION TRUST

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13		2,430,927		1,874,338
Current assets					
Debtors	14	808,875		1,012,908	
Cash at bank and in hand		6,438,557		5,287,073	
		<u>7,247,432</u>		<u>6,299,981</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(2,286,622)		(1,572,866)	
Net current assets			<u>4,960,810</u>		<u>4,727,115</u>
Net assets excluding pension liability			<u>7,391,737</u>		<u>6,601,453</u>
Defined benefit pension scheme liability	19		(13,034,000)		(11,286,000)
Total net liabilities			<u>(5,642,263)</u>		<u>(4,684,547)</u>
Funds of the Academy Trust:					
Restricted funds	17				
- Fixed asset funds			3,172,969		2,743,888
- Restricted income funds			293,356		220,522
- Pension reserve			(13,034,000)		(11,286,000)
Total restricted funds			<u>(9,567,675)</u>		<u>(8,321,590)</u>
Unrestricted income funds	17		<u>3,925,412</u>		<u>3,637,043</u>
Total funds			<u>(5,642,263)</u>		<u>(4,684,547)</u>

The accounts on pages 23 to 50 were approved by the Directors and authorised for issue on 10 December 2020 and are signed on their behalf by:



Mrs M Holman
Chair

Company Number 08509710

PETERBOROUGH DIOCESE EDUCATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	20	1,008,464		(73,001)	
Cash funds transferred on conversion		124,226		707,116	
		<u>1,132,690</u>		<u>634,115</u>	
Cash flows from investing activities					
Dividends, interest and rents from investments		7,186		7,281	
Capital grants from DfE Group		822,252		932,809	
Capital funding received from sponsors and others		17,125		5,671	
Purchase of tangible fixed assets		(827,769)		(419,536)	
Proceeds from sale of tangible fixed assets		-		21,958	
		<u>18,794</u>		<u>548,183</u>	
Net cash provided by investing activities					
Net increase in cash and cash equivalents in the reporting period		1,151,484		1,182,298	
Cash and cash equivalents at beginning of the year		5,287,073		4,104,775	
Cash and cash equivalents at end of the year		<u>6,438,557</u>		<u>5,287,073</u>	

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 trust 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.

The Directors have considered the potential impact of the coronavirus, and the various measures taken to contain it, on the operations of the trust. No immediate concerns in relation to the trust's long term future have been identified but this area continues to be monitored. The Directors are satisfied that the steps they have taken in the short term are appropriate and effective.

1.3 Transfer of existing academies into the academy trust

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within Donations and capital grant income to the net assets acquired.

1.4 Income

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

Grants

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

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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

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

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Expenditure on raising funds

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

Charitable activities

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

1.6 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

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

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

1.7 Liabilities

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

1.8 Leased assets

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

1.9 Financial instruments

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

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Financial assets

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

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

Financial liabilities

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

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

1.10 Taxation

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

1.11 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.12 Fund accounting

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

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

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

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	839,377	839,377	938,480
Other donations	277,250	-	277,250	400,803
	<u>277,250</u>	<u>839,377</u>	<u>1,116,627</u>	<u>1,339,283</u>

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	21,835,645	21,835,645	19,917,231
Start up grants	-	-	-	25,000
Other DfE group grants	-	3,921,099	3,921,099	2,879,215
	-	25,756,744	25,756,744	22,821,446
Other government grants				
Local authority grants	-	634,565	634,565	614,601
Special educational projects	-	-	-	28,991
	-	634,565	634,565	643,592
Total funding	-	26,391,309	26,391,309	23,465,038

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Other income	392,429	305,538	697,967	1,247,985

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Other investment income	7,186	-	7,186	7,281

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2020 £	Total 2019 £
Academy's educational operations					
- Direct costs	18,296,255	-	2,114,795	20,411,050	18,706,024
- Allocated support costs	4,588,751	1,953,672	2,118,080	8,660,503	8,160,250
	22,885,006	1,953,672	4,232,875	29,071,553	26,866,274

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

7 Expenditure

(Continued)

Net income/(expenditure) for the year includes:	2020	2019
	£	£
Fees payable to auditor for:		
- Audit	26,050	23,500
- Other services	4,775	7,000
Operating lease rentals	79,941	42,608
Depreciation of tangible fixed assets	383,554	343,267
Net interest on defined benefit pension liability	227,000	195,000

8 Central services

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

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

PDET charges for these services on the following basis:

- flat 5% of GAG

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Central services

(Continued)

The amounts charged during the year were as follows:

	2020	2019
	£	£
Blakesley	22,420	12,858
Kislingbury	28,820	28,679
Oundle	69,231	51,330
St Mary's	59,998	60,887
Spratton	18,559	16,775
Trinity	27,154	16,548
Barby	23,329	25,454
Braunston	36,878	35,483
Collingtree	29,874	30,060
Cottingham	24,556	26,277
Cranford	20,979	20,889
Great Addington	21,203	21,296
Greens Norton	29,267	26,689
Isham	21,084	20,934
Loddington	20,552	22,313
Mears Ashby	16,805	17,682
Milton	21,246	20,677
Pytchley	23,621	22,519
Ringstead	21,606	22,381
Ryhall	33,437	32,440
St Andrews	60,978	61,550
St Barnabas	35,095	33,749
St James	123,508	86,066
St Luke's	76,700	70,695
Staverton	21,833	22,290
Towcester	65,675	60,582
Weldon	37,545	36,318
Head office	-	-
Silverstone	39,915	38,479
Guilsborough	30,279	29,359
Welford, Sibbertoft & Sulby	20,057	19,998
Freeman's Endowed C of E School	39,491	-
Easton Garford	-	-
	<u>1,121,695</u>	<u>991,257</u>

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Direct costs				
Educational operations	464,313	19,946,737	20,411,050	18,706,024
Support costs				
Educational operations	107,951	8,552,552	8,660,503	8,160,250
	<u>572,264</u>	<u>28,499,289</u>	<u>29,071,553</u>	<u>26,866,274</u>

Analysis of costs

	2020 £	2019 £
Direct costs		
Teaching and educational support staff costs	18,314,948	16,178,975
Staff development	8,739	12,642
Technology costs	351,884	280,315
Educational supplies and services	610,283	706,901
Other direct costs	1,125,196	1,527,191
	<u>20,411,050</u>	<u>18,706,024</u>
Support costs		
Support staff costs	4,588,751	4,217,387
Depreciation	383,554	343,267
Technology costs	238,444	237,166
Recruitment and support	641,187	671,003
Maintenance of premises and equipment	481,148	449,878
Cleaning	369,436	291,365
Energy costs	340,037	367,030
Rent, rates and other occupancy costs	138,540	110,371
Insurance	128,363	135,238
Security and transport	112,594	61,733
Catering	90,785	75,461
Finance costs	227,000	195,000
Legal costs	12,095	58,939
Other support costs	869,116	897,611
Governance costs	39,453	48,801
	<u>8,660,503</u>	<u>8,160,250</u>

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff

Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	17,842,698	16,419,616
Pension costs	4,833,621	3,689,921
Staff costs	22,676,319	20,109,537
Agency staff costs	208,687	266,664
Staff development and other staff costs	27,432	32,803
Total staff expenditure	22,912,438	20,409,004

Non statutory/non-contractual staff severance payments

Included in staff costs are non-statutory/non-contractual severance payments of £5,995 and £2,043 totalling £8,038 relating to two employees.

Staff numbers

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

	2020 Number	2019 Number
Teachers	339	309
Administration and support	564	555
Management	4	4
	907	868

Higher paid staff

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

	2020 Number	2019 Number
£60,000 - £70,000	9	9
£70,001 - £80,000	5	3
£80,001 - £90,000	1	1

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2019: £33,192).

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff

(Continued)

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 £244,356 (2019: £232,141).

11 Directors' remuneration and expenses

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

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

Mr D Mills (Director)

- Remuneration £80,000 - £90,000 (2019: £80,000-£90,000)
- Employer's pension contributions £15,000 - £20,000 (2019: £15,000-£20,000)

During the year, travel and subsistence payments totalling £nil (2019: £2,307) was reimbursed or paid directly to one individual.

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

12 Insurance for Directors and officers

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Governors from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business, and provides cover up to £10,000,000. Under the scheme rules a Governor is defined as "Any member of an Academy Trust, a Director/Trustee of an Academy Trust, or a person who sits on a local governing body (a committee established for an Academy by the Academy Trust in accordance with its Articles)." It is not possible to quantify the Governors indemnity element from the overall cost of the RPA scheme.

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

13 Tangible fixed assets

	Leasehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2019	1,285,105	567,528	820,066	26,460	2,699,159
Transfer on conversion	120,254	45,089	108,115	-	273,458
Additions	564,906	159,247	103,615	-	827,768
	<u>1,970,265</u>	<u>771,864</u>	<u>1,031,796</u>	<u>26,460</u>	<u>3,800,385</u>
Depreciation					
At 1 September 2019	96,002	371,508	337,356	19,955	824,821
Transfer on conversion	37,676	38,936	84,471	-	161,083
Charge for the year	15,551	151,325	212,092	4,586	383,554
	<u>149,229</u>	<u>561,769</u>	<u>633,919</u>	<u>24,541</u>	<u>1,369,458</u>
Net book value					
At 31 August 2020	<u>1,821,036</u>	<u>210,095</u>	<u>397,877</u>	<u>1,919</u>	<u>2,430,927</u>
At 31 August 2019	<u>1,189,103</u>	<u>196,020</u>	<u>482,710</u>	<u>6,505</u>	<u>1,874,338</u>

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

14 Debtors

	2020 £	2019 £
Trade debtors	24,010	26,277
VAT recoverable	102,682	324,698
Other debtors	346	21,554
Prepayments and accrued income	681,837	640,379
	<u>808,875</u>	<u>1,012,908</u>

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	476,764	402,913
Other taxation and social security	310,680	296,066
Other creditors	426,112	1,268
Accruals and deferred income	1,073,066	872,619
	<u>2,286,622</u>	<u>1,572,866</u>

16 Deferred income

	2020 £	2019 £
Deferred income is included within:		
Creditors due within one year	<u>618,842</u>	<u>567,728</u>
Deferred income at 1 September 2019	567,728	398,294
Released from previous years	(567,728)	(398,294)
Resources deferred in the year	<u>618,842</u>	<u>567,728</u>
Deferred income at 31 August 2020	<u>618,842</u>	<u>567,728</u>

Included in deferred income is the money received for the UIFSM grant for 2020-21 academic year.

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	-	21,835,645	(21,885,367)	49,722	-
Other DfE / ESFA grants	206,369	3,921,099	(3,834,112)	-	293,356
Other government grants	14,153	634,565	(648,718)	-	-
Other restricted funds	-	305,538	(305,538)	-	-
Pension reserve	(11,286,000)	-	(1,925,000)	177,000	(13,034,000)
	<u>(11,065,478)</u>	<u>26,696,847</u>	<u>(28,598,735)</u>	<u>226,722</u>	<u>(12,740,644)</u>
Restricted fixed asset funds					
DfE group capital grants	869,550	839,377	(966,885)	-	742,042
Capital expenditure from GAG	1,874,338	-	695,707	(139,118)	2,430,927
	<u>2,743,888</u>	<u>839,377</u>	<u>(271,178)</u>	<u>(139,118)</u>	<u>3,172,969</u>
Total restricted funds	<u>(8,321,590)</u>	<u>27,536,224</u>	<u>(28,869,913)</u>	<u>87,604</u>	<u>(9,567,675)</u>
Unrestricted funds					
General funds	3,637,043	676,865	(477,892)	89,396	3,925,412
Total funds	<u>(4,684,547)</u>	<u>28,213,089</u>	<u>(29,347,805)</u>	<u>177,000</u>	<u>(5,642,263)</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,

The Trust apply a reserves policy which allows pooling of all reserves and this is undertaken at the end of the financial year.

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

(Continued)

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

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

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

(Continued)

Total funds analysis by academy

	2020	2019
	£	£
Fund balances at 31 August 2020 were allocated as follows:		
Blakesley	-	54,378
Kislingbury	-	102,280
Oundle	-	271,979
St Mary's	-	66,043
Spratton	-	61,401
Trinity	-	129,995
Barby	-	109,315
Braunston	-	187,285
Collingtree	-	113,935
Cottingham	-	117,515
Cranford	-	27,588
Great Addington	-	27,939
Greens Norton	-	57,496
Isham	-	39,619
Loddington	-	84,273
Mears Ashby	-	121,222
Milton	-	42,327
Pytchley	-	6,500
Ringstead	-	83,277
Ryhall	-	21,644
St Andrews	-	283,795
St Barnabas	-	228,408
St James	-	286,093
St Luke's	-	167,922
Staverton	-	24,608
Towcester	-	4,076
Weldon	-	50,986
Head office	4,218,768	577,895
Silverstone	-	408,946
Guilsborough	-	32,760
Welford, Sibbertoft & Sulby	-	66,065
Freeman's Endowed C of E School	-	-
Easton Garford	-	-
Total before fixed assets fund and pension reserve	4,218,768	3,857,565
Restricted fixed asset fund	3,172,969	2,743,888
Pension reserve	(13,034,000)	(11,286,000)
Total funds	(5,642,263)	(4,684,547)

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2020	Total 2019
	£	£	£	£	£	£
Blakesley	399,029	56,032	24,845	43,110	523,016	289,496
Kislingbury	496,423	69,407	29,700	73,268	668,798	656,999
Oundle	1,099,341	208,043	90,936	237,468	1,635,788	1,300,578
St Mary's	1,036,076	180,782	111,396	194,189	1,522,443	1,409,796
Spratton	292,336	26,217	43,481	58,203	420,237	398,278
Trinity	435,405	62,946	63,552	69,798	631,701	364,940
Barby	414,299	59,956	50,850	66,528	591,633	571,776
Braunston	613,363	92,127	38,878	122,151	866,519	892,709
Collingtree	437,683	63,559	70,840	82,864	654,946	683,893
Cottingham	402,950	51,872	36,450	79,953	571,225	576,919
Cranford	306,711	65,012	52,462	73,928	498,113	550,944
Great Addington	368,903	52,326	50,157	34,553	505,939	494,902
Greens Norton	513,570	88,623	33,978	63,889	700,060	662,424
Isham	340,254	52,741	35,744	64,774	493,513	476,773
Loddington	378,763	63,347	42,923	65,119	550,152	557,133
Mears Ashby	319,541	41,759	33,723	49,560	444,583	374,115
Milton	325,922	42,911	42,295	78,927	490,055	468,311
Pytchley	409,640	80,150	34,483	62,970	587,243	617,703
Ringstead	336,273	68,324	39,964	86,979	531,540	469,374
Ryhall	540,868	79,449	34,708	73,117	728,142	749,641
St Andrews	1,150,287	150,091	86,075	210,473	1,596,926	1,503,486
St Barnabas	571,496	76,790	43,269	113,799	805,354	822,788
St James	1,678,734	298,973	95,061	201,237	2,274,005	2,345,266
St Luke's	1,211,939	86,909	88,043	378,448	1,765,339	1,630,885
Staverton	334,236	82,854	35,221	29,820	482,131	493,865
Towcester	1,089,276	132,564	74,016	83,109	1,378,965	1,409,921
Weldon	602,862	89,009	51,400	100,259	843,530	863,894
Head office	20,219	652,628	174,001	1,973,641	2,820,489	1,172,879
Silverstone	681,063	108,710	57,265	157,691	1,004,729	1,064,527
Guilborough	504,853	85,765	42,230	67,217	700,065	698,839
Welford, Sibbertoft & Sulby	368,160	42,844	44,631	79,992	535,627	462,656
Freeman's Endowed C of E School	594,445	117,820	70,470	82,461	865,196	-
Easton Garford	-	-	-	-	-	25,064
	<u>18,274,920</u>	<u>3,430,540</u>	<u>1,823,047</u>	<u>5,159,495</u>	<u>28,688,002</u>	<u>25,060,774</u>

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	2,430,927	2,430,927
Current assets	3,925,412	2,579,978	742,042	7,247,432
Creditors falling due within one year	-	(2,286,622)	-	(2,286,622)
Defined benefit pension liability	-	(13,034,000)	-	(13,034,000)
Total net assets	3,925,412	(12,740,644)	3,172,969	(5,642,263)
	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	1,874,338	1,874,338
Current assets	3,637,043	1,793,388	869,550	6,299,981
Creditors falling due within one year	-	(1,572,866)	-	(1,572,866)
Defined benefit pension liability	-	(11,286,000)	-	(11,286,000)
Total net assets	3,637,043	(11,065,478)	2,743,888	(4,684,547)

19 Pension and similar obligations

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

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

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a normal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £2,379,512 (2019: £2,509,134).

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

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

Local Government Pension Scheme

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

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

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

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations

(Continued)

Total contributions made	2020 £	2019 £
Employer's contributions	1,223,000	1,222,000
Employees' contributions	332,000	311,000
Total contributions	1,555,000	1,533,000
Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	2.7	2.6
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9

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

	2020 Years	2019 Years
Retiring today		
- Males	21.5	21.2
- Females	23.8	23.3
Retiring in 20 years		
- Males	22.3	22.3
- Females	25.2	24.7

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

	2020 Fair value £	2019 Fair value £
Equities	6,496,000	6,500,000
Bonds	3,193,000	1,598,000
Cash	881,000	815,000
Property	440,000	186,000
Total market value of assets	11,010,000	9,099,000

The actual return on scheme assets was £157,000 (2019: £525,000).

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations (Continued)

Amount recognised in the Statement of Financial Activities	2020 £	2019 £
Current service cost	1,485,000	934,000
Past service cost	-	84,000
Interest cost	227,000	195,000
Benefit changes, curtailments and settlements gains or losses	(270,000)	-
Total operating charge	1,442,000	1,213,000

The £1,748,000 increase in the defined pension scheme liability from £11,286,000 to £13,034,000 comprises of operating costs of £1,442,000, Actuarial gain of (£177,000) and pension scheme liability on transfer of an existing academy into the Academy Trust of £483,000.

Changes in the present value of defined benefit obligations	2020 £
At 1 September 2019	20,385,000
Transferred in on existing academies joining the Academy Trust	483,000
Current service cost	2,708,000
Interest cost	416,000
Employee contributions	332,000
Actuarial (gain)/loss	(209,000)
Benefits paid	(176,000)
Losses on curtailment	105,000
At 31 August 2020	24,044,000

Changes in the fair value of the Academy Trust's share of scheme assets	2020 £
At 1 September 2019	9,099,000
Interest income	189,000
Actuarial loss/(gain)	(32,000)
Employer contributions	1,223,000
Employee contributions	332,000
Benefits paid	(176,000)
Effect of non-routine settlements	375,000
At 31 August 2020	11,010,000

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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

	2020 £	2019 £
Net expenditure for the reporting period (as per the statement of financial activities)	(1,134,716)	(1,010,571)
Adjusted for:		
Net deficit on conversion to academy	-	255,884
Net deficit/(surplus) on transfer of academy in the trust	276,252	(52,000)
Capital grants from DfE and other capital income	(839,377)	(938,480)
Investment income receivable	(7,186)	(7,281)
Defined benefit pension costs less contributions payable	1,215,000	1,018,000
Defined benefit pension scheme finance cost	227,000	195,000
Depreciation of tangible fixed assets	383,554	343,267
Decrease/(increase) in debtors	204,033	(425,417)
Increase in creditors	713,756	527,597
Stocks, debtors and creditors transferred on conversion	(29,852)	21,000
Net cash provided by/(used in) operating activities	1,008,464	(73,001)

21 Analysis of changes in net funds

	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	5,287,073	1,151,484	6,438,557

22 Commitments under operating leases

At 31 August 2020 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	47,931	56,142
Amounts due in two and five years	58,173	42,995
	106,104	99,137

23 Capital commitments

	2020 £	2019 £
Expenditure contracted for but not provided in the accounts	-	386,528

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

24 Related party transactions

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

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

£50,511 (2019: £82,103) from Diocesan Board of Finance, in which Mr G Cracknell (Director), Mr P Cantley (Director), Bishop J Holbrook (Member) and Dr. R Whitaker (Member) have an interest. The nature of the transaction related to staff time and SLA recharges. There was no balance outstanding at the year end.

£5,620 (2019: £5,725) from University of Northampton, in which Bishop J Holbrook (Member), has an interest. The nature of the transaction was to provide SENCO award training. There was no balance outstanding at the year end.

£16,470 (2019: £3,287) from Scholastic Book Club, in which Mr G Cracknell (Director) has an interest. The nature of the transaction was to provide computer lessons. There was no balance outstanding at the year end.

£216 (2019: £335) from Geographical Association, in which, in which Mr G Cracknell (Director) has an interest. The nature of the transaction was to provide lessons. There was no balance outstanding at the year end.

£200 (2019: £40) from Monksmoor Primary, in which Bishop John Holbrook (Member) has an interest. The nature of the transaction related to recharges. There was no balance outstanding at the year end.

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

In entering into these transactions, the Academy Trust has complied with the requirements of the Academies Financial Handbook 2019.

25 Members' liability

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

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

26 Transfer of existing academies into the Academy Trust

Freeman's Endowed CE Junior Academy joined the trust on 1 November 2019.

	Transfer in recognised £
Net liabilities acquired	
Leasehold land and buildings	82,577
Other tangible fixed assets	29,797
Debtors	19,333
Creditors	(49,190)
Cash and cash equivalents	124,226
Pension scheme	(483,000)
	<hr/>
Total net liabilities	(276,257)
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There were no fair value adjustments required to the values reported by the transferring trust.