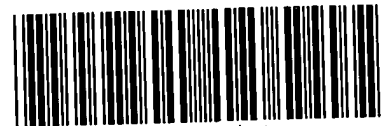


PETERBOROUGH DIOCESE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2018

THURSDAY



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20/12/2018
COMPANIES HOUSE

PETERBOROUGH DIOCESE EDUCATION TRUST

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PETERBOROUGH DIOCESE EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Directors	Dr J Herrick (Resigned 24 July 2018) Mr K Binley Mrs H Buckley Mr M Cowland (Resigned 22 May 2018) Mrs M Holman (Chair) Canon M Robinson (Resigned 1 January 2018) Mr G Cracknell (Vice Chair) Mrs C Armstrong Mr A Weatherill Mr D Mills (Appointed 1 January 2018) Mr P Cantley (Appointed 15 March 2018) Dr J Temple (Appointed 26 March 2018)
Members	Canon M P H Robinson (Resigned 31 January 2017) (representative of Peterborough Diocese Church Schools Trust (PDCST) Bishop J Holbrook (representative of Diocese of Peterborough Board of Education - appointee of PDCST) Dr. R. Whittaker (representative of Bishop Stopford School - appointee of PDCST) Dr J Herrick The Venerable Richard Ormiston (Appointed 1 January 2018) (representative of Peterborough Diocese Church Schools Trust (PDCST) M F Holman (Appointed 24 July 2018) (Chair of Directors)
Senior management team	Canon M P H Robinson (Chief Executive) (Resigned 1 January 2018) Mrs H J K Buckley (Legal Advisor) Mr M J Cowland (Business Director) Mr D Mills (Chief Executive) (Appointed 1 January 2018) Mrs R Walker-Green (Director of Learning and Achievement) (Appointed 1 April 2018)
Company registration number	8509710
Registered office	Bouverie Court 6 The Lakes Bedford Road Northampton Northamptonshire NN4 7YD

PETERBOROUGH DIOCESE EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated

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

Location

Daventry
Daventry
Northampton
Corby
Kettering
Stamford
Wellingborough
Towcester
Kettering
Kettering
Northampton
Northampton
Kettering
Wellingborough
Stamford
Kettering
Wellingborough
Northampton
Northampton
Daventry
Towcester
Corby
Northampton
Towcester
Northampton
Northampton

Headteacher

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

James Bloomfield
K Shilliam
Michelle Pye

Independent auditor

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

Bankers

Barclays Bank Plc
Cambridge

Lloyds Bank Plc
Northampton

Yorkshire Bank Plc
Northampton

Solicitors

Stone King
Boundary House
91 Charterhouse Street
London
EC1M 6HR

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

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

Peterborough Diocese Education Trust (PDET) is a Multi Academy Trust established to provide a home for Church of England schools in the Diocese of Peterborough who wish to convert to academy status or who are compelled by the Government to convert. There were twenty-five academies in PDET as at 31 August 2018.

Structure, governance and management

Constitution

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

The Directors are the Trustees of Peterborough Diocese Education Trust and are also the Directors of the charitable company for the purposes of company law. Details of the Directors who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Directors' indemnities

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

Method of recruitment and appointment or election of Directors

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

Policies and procedures adopted for the induction and training of Directors

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

Organisational structure

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

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

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

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Arrangements for setting pay and remuneration of key management personnel

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

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

9,302

Total pay bill

11,977,414

Percentage of the total pay bill spent on facility time

Less than 1%

Paid trade union activities

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

-

Related parties and other connected charities and organisations

PDET's sponsor is the Diocese of Peterborough.

Objectives and activities

Objects and aims

PDET's object is specifically restricted to the following:

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.

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Objectives, strategies and activities

PDET aims to establish a network of successful Academies within the Diocese of Peterborough, which provide a high quality of education for our children. PDET's first Academy opened in May 2014 with three more following that academic year. Eighteen further Academies opened during the thirty-six months between September 2014 and August 2017 and another three opened in the following year. PDET will continue to work with local authorities, the Government and individual schools to raise the standards of education within the Diocese of Peterborough.

Public benefit

The Directors 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 2018

Strategic report

Achievements and performance

This is the fifth year of operation of Peterborough Diocese Education Trust; the annual report covers the period from 1 September 2017 to 31 August 2018. At the start of the reporting year, the Trust had 22 open academies. Three more schools joined us during the course of the year:

1. Welford, Sibbertoft and Sulby Endowed School (1 September 2017)
2. Silverstone Church of England Primary School (1 January 2018)
3. Guilsborough Church of England Primary School (1 March 2018)

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

Expansion

During the academic/financial year 2018-19, PDET plans to continue to expand to meet demand from schools. There are three schools with academy orders and a further two where the local governing board has voted to join PDET. The Board of Directors will continue to manage academy conversions to ensure that PDET has the capacity to support schools joining the Trust and also to maintain a balance of sponsored and 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 4,100. This number of pupils means that PDET will receive a capital funding allocation (SCA) directly from the Education Funding Agency to deploy strategically across our schools to address our priority maintenance and expansion needs.

Strategic developments 2017/2018

The most notable strategic development of 2017/18 was the appointment of a full time Chief Executive Officer for PDET. Until this time, the Trust had grown under the leadership of a shared Chief Executive/Director of Education post with the Diocese of Peterborough so the move to a full time position was significant.

Another key appointment made in the year was that of Director of Learning and Achievement. The Trust seconded the Headteacher from Staverton CE Primary School in October 2017 and ran a competitive interview process in February 2018. The appointment was made permanent in April 2018 and the academy improvement support offered throughout PDET took a step change for the better.

The Trust secured £99,900 from the Multi Academy Trust Development and Improvement Fund (MDIF) to enable the delivery of a programme of school to school peer support. This will include additional academy improvement officer hours, improvement champions and further training opportunities. The Trust was also able to use the additional capacity to finalise its plans for a standardised Trust wide data system and a common assessment programme.

After a year of much growth the previous year, the Trust took an opportunity to take stock and review its position. The strategic conversions of Welford, Sibbertoft and Sulby Endowed School, Silverstone CE Primary School and Guilsborough CE Primary School added strength to the emerging clusters and further enabled the Trust to support small church schools.

Unfortunately, following a period of consultation, the Trust was forced to close Easton Garford Endowed Primary School. While it is always sad to see any school close, especially a church school, the school had no children on roll at the point of closure.

The Trust reviewed its Strategic Plan and launched an ambitious new three year plan in April. The new plan clearly sets out the Trust's vision and purpose and states an intention to grow to 40 academies by 2021.

PDET remains committed to the flourishing of the 'whole child' and continues to offer an enrichment programme for pupils comprising a reflection day at the Cathedral for year 6 pupils facing the transition to secondary school; a Going for Gold Sports Day for from year 2 to year 4 and a maths enrichment day for year 5 pupils. As promised in the previous year's annual accounts, the programme was extended to include a Faith Roadshow for year 4 pupils to help prepare them for life in modern Britain.

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 Integrated Curriculum led Financial Planning benchmarking model and is analysing the information before implementing appropriate service improvements.

Educational Outcomes 2018

Trust Position: Ofsted:

During the year 2017-18, 4 Academies received their first Ofsted inspection since joining the Trust.

The table overleaf shows:

- 11/12 Academies are now judged as good following Ofsted inspections in the Trust;
- 1 Academy was judged as Requires Improvement. Ofsted acknowledged improvements that have been made since the Academy's previous RI judgement as a predecessor school. Personal Development, Behaviour and Well-being and EYFS were judged as 'good';
- The changes to Ofsted judgements in those academies that have been inspected whilst in the Trust. 2 schools that were previously judged as 'Requires Improvement' have moved to 'Good' and 1 school that was 'Inadequate' has also moved to 'Good'.

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Ofsted Outcomes since joining the Trust are, therefore, as follows: (July 2018):

	Inadequate	RI	Good	Outstanding
Ofsted judgement on conversion	1	3	8	0
Ofsted judgements at July 2018	0	1	11	0

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

Inadequate	RI	Good	Outstanding
2 (both are predecessor schools)	2 (1 is a predecessor school judged as RI)	17 (6 are predecessor schools)	2 (both are predecessor schools)

(1 Academy has no prior predecessor Ofsted judgement as it is a new Academy.)

Ofsted comments for 2017-18 have included:

2017-18	Date	Type	Quotes
St James	Jan 2018	S5	<i>'The Trust provides an enhanced and effective degree of support for the school.'</i>
Ringstead	Jan 2018	S5	<i>'The headteacher is well supported by the Trust.'</i>
Milton	Jan 2018	S8	<i>'The Academy Trust has worked effectively with both you and the governors..'</i>
Pytchley	Apr 2018	S5	<i>'The Trust is skilled in providing challenge and support for the school's leaders and the local governing body. Trustees have a thorough understanding of the school's strengths and areas for development. They provide leaders and governors with appropriate challenge and support.'</i>

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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

Outcomes Performance Measure	% of academies in line /+ national	% of academies above national
EYFS	88	67
Year 1 Phonics	79	54
End of KS1 at the Expected Standard:		
Reading	71	42
Writing	83	58
Maths	79	50
RWM Combined	63	42
End of KS1 at Greater Depth:		
Reading	83	42
Writing	63	38
Maths	83	46
End of KS2 at the Expected Standard:		
Reading	75	46
Writing	92	58
Maths	58	33
RWM Combined	58	42
EGPS	79	46
End of KS2 at the Higher Standard:		
Reading	75	42
Writing	75	42
Maths	63	25
EGPS	50	33

Outcomes at the end of EYFS, Year 1 phonics and writing across both Key Stages are strengths of the Trust.

Going concern

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

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Financial review

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

At 31 August 2018, as per page 25, the total funds comprised:

Unrestricted Funds:	£2,732,206
Restricted Fixed Asset Funds:	£2,376,019
Restricted General Funds:	£273,799
Pension Reserve:	£(5,863,000)
Total	£(480,976)

Included within restricted fixed asset funds are capital grants of £640,992 which will be spent in 2018-19 on significant school improvements.

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

The Trust secured £99,900 from the Multi Academy Trust Development and the Improvement Fund (MDIF) to enable the delivery of a programme of school to school peer support. This will include additional academy improvement officer hours, improvement champions and further training opportunities.

Directors are aware of their responsibility to spend their SCA allocation in the areas of most need. The Trust was able to complete a competitive tender exercise to deliver site condition and non compliance surveys across all of its academies, the programme is underway with a view to making significant capital improvements in 2018-19.

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

The accounts are showing an in year deficit of £201,905. This is due to a number of specific one off projects delivered during the year and funded from either Trust reserves or external funding.

Reserves policy

Directors review the level of reserves of the Academy Trust annually. Directors will seek to carry forward a prudent level of reserves both in the Academy Trust and the Academies to meet the long term needs of renewal and any other unforeseen contingencies plus a contribution towards future capital projects. The Academies are advised to carry forward reserves equivalent to 8% of their annual GAG or £20,000 (whichever is higher) each year to cover unexpected catastrophic failures. The Trust is currently in compliance with this recommendation. Academies holding less than this are instructed to work towards it in their budget planning. A formal reserves policy will be adopted in early 2018-19.

Investment policy

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

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

A formal investment policy will be adopted early in 2018-19.

PETERBOROUGH DIOCESE EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Principal risks and uncertainties

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

Fundraising

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

Plans for future periods

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

Employee consultation and equal opportunities policy

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

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

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

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

Auditor

In so far as the Directors are aware:

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

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

The Directors' report, incorporating a strategic report, was approved by order of the board of Directors, as the company Directors, on 18 December 2018 and signed on its behalf by:



Mrs M Holman
Chair

PETERBOROUGH DIOCESE EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The board of Directors has formally met 7 times during the year. Attendance during the year at meetings of the board of Directors was as follows:

Directors	Meetings attended	Out of possible
Dr J Herrick (Resigned 24 July 2018)	6	6
Mr K Binley	5	7
Mrs H Buckley	5	7
Mr M Cowland (Resigned 22 May 2018)	6	6
Mrs M Holman (Chair)	5	7
Canon M Robinson (Resigned 1 January 2018)	2	3
Mr G Cracknell (Vice Chair)	6	7
Mrs C Armstrong	7	7
Mr A Weatherill	5	7
Mr D Mills (Appointed 1 January 2018)	4	4
Mr P Cantley (Appointed 15 March 2018)	2	2
Dr J Temple (Appointed 26 March 2018)	2	2

The Business & Finance committee is a sub-committee of the main board of Directors. Its purpose is to:

Maintain oversight of PDET's finances, human resources, payroll, administration, marketing, health & safety, premises, insurance, ICT and catering. It also fulfils the function of an Audit Committee. The Business & Finance Committee have no executive powers or operational responsibilities / duties.

Attendance at meetings in the year was as follows:

Directors	Meetings attended	Out of possible
Mr K Binley	5	6
Mr M Cowland (Resigned 22 May 2018)	4	4
Canon M Robinson (Resigned 1 January 2018)	1	1
Mrs C Armstrong	6	6
Mr D Mills (Appointed 1 January 2018)	5	5
B Hansford (non Director)	6	6
G Dean (non Director) (Resigned 21 February 2018)	0	3

PETERBOROUGH DIOCESE EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Review of value for money

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

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

Professional Services:

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

- The Trust completed a competitive tender process with the Litmus Partnership to procure catering services for 20 academies. The Academies involved in this contract are benefitting from fresh and healthy food cooked on site at a lower cost than their previous supplier;
- The Trust completed a competitive tender process for the production of Site Condition and Non Compliance Surveys at all PDET Academies. The contractor was selected on the basis of excellent past experience and best value for money. The prioritised report will ensure the trust spends the School Condition Allocation grant in the most effective way over the next 3-5 years;
- The Trust completed a competitive tender process for the provision of a Trust wide data system. This will allow the outcomes of standardised testing to be benchmarked across all 25 PDET Academies and enable the academy improvement team to focus support on areas of most need;
- The Trust has continued to procure legal support for academy conversions at a reduced price by combining the contract with the legal retainer contract and by offering a number of academy conversions;
- The Trust has procurement academy improvement services at a reduced cost by clustering Academies and offering a larger contract than single schools;
- The Trust has made multiple savings on staff training and development;
- The Trust has procured budget software savings;
- The Trust retendered our insurance programme and moved to the government's Risk Protection Arrangement (RPA) scheme. This results in a lower per pupil insurance cost;
- All PDET Academies received the Diocesan Service Level agreement from their 5% central support charge. This saves our twenty-five academies up to £1,000 each.

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

Employment:

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

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

There are 4 Executive Headteachers working in PDET Academies ensuring the affordability of highly experienced staff in small schools. PDET also employs a Cluster Business Manager who is responsible for the business services in three Academies. These initiatives save the Trust approximately £150,000 a year.

PETERBOROUGH DIOCESE EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

External funding:

The Trust received approximately £393,000 of School Condition Allocation funding. This will be used to address the highest priority facility improvements across the 25 academies.

The Trust also submitted a successful £99,900 application to the Multi Academy Trust Development and Improvement Fund (MDIF). This will enable the delivery of a programme of school to school peer support. This will include additional academy improvement officer hours, improvement champions and further training opportunities.

The purpose of the system of internal control

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

Capacity to handle risk

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

The risk and control framework

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

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

PETERBOROUGH DIOCESE EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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

- to appoint Moore Stephens as internal auditor

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

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

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

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

Review of effectiveness

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

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

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

Approved by order of the board of Directors on 18 December 2018 and signed on its behalf by:



Mrs M Holman
Chair

PETERBOROUGH DIOCESE EDUCATION TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2018

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

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

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



Mr D Mills
Accounting Officer

18 December 2018

PETERBOROUGH DIOCESE EDUCATION TRUST

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

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

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

In preparing these accounts, the Directors are required to:


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

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

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

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

Approved by order of the members of the board of Directors on 18 December 2018 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 2018

Opinion

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

In our opinion the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

PETERBOROUGH DIOCESE EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the accounts

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

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

PETERBOROUGH DIOCESE EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

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



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

19.12.18

Chartered Accountants
Statutory Auditor

Rutland House
Minerva Business Park
Lynch Wood
Peterborough
PE2 6PZ

PETERBOROUGH DIOCESE EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 25 July 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

PETERBOROUGH DIOCESE EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Moore Stephens

Reporting Accountant

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

Dated: 19.12.18

PETERBOROUGH DIOCESE EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2018 £	Total 2017 £
Income and endowments from:						
Donations and capital grants	3	250,697	-	660,992	911,689	896,565
Donations - transfer from local authority on conversion	25	583,838	(495,000)	-	88,838	(505,725)
Charitable activities:						
- Funding for educational operations	4	6,921	18,607,635	-	18,614,556	15,201,577
Other trading activities	5	250,287	556,339	-	806,626	645,859
Investments	6	1,859	-	-	1,859	682
Total income and endowments		<u>1,093,602</u>	<u>18,668,974</u>	<u>660,992</u>	<u>20,423,568</u>	<u>16,238,958</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	516,198	19,834,357	274,918	20,625,473	16,883,553
Total expenditure	7	<u>516,198</u>	<u>19,834,357</u>	<u>274,918</u>	<u>20,625,473</u>	<u>16,883,553</u>
Net income/(expenditure)		577,404	(1,165,383)	386,074	(201,905)	(644,595)
Transfers between funds		(624,651)	(11,692)	636,343	-	-
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	20	-	1,267,000	-	1,267,000	1,469,000
Net movement in funds		<u>(47,247)</u>	<u>89,925</u>	<u>1,022,417</u>	<u>1,065,095</u>	<u>824,405</u>
Reconciliation of funds						
Total funds brought forward		2,779,453	(5,679,126)	1,353,602	(1,546,071)	(2,370,476)
Total funds carried forward		2,732,206	(5,589,201)	2,376,019	(480,976)	(1,546,071)

PETERBOROUGH DIOCESE EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2017		Funds	General	Fixed asset	2017
	Notes	£	£	£	£
Income and endowments from:					
Donations and capital grants	3	380,090	-	516,475	896,565
Donations - transfer from local authority on conversion	25	478,275	(984,000)	-	(505,725)
Charitable activities:					
- Funding for educational operations	4	-	15,201,577	-	15,201,577
Other trading activities	5	169,359	476,500	-	645,859
Investments	6	682	-	-	682
Total income and endowments		1,028,406	14,694,077	516,475	16,238,958
Expenditure on:					
Charitable activities:					
- Educational operations	9	202,881	16,564,561	116,111	16,883,553
Total expenditure	7	202,881	16,564,561	116,111	16,883,553
Net income/(expenditure)		825,525	(1,870,484)	400,364	(644,595)
Transfers between funds		(205,666)	-	205,666	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	20	-	1,469,000	-	1,469,000
Net movement in funds		619,859	(401,484)	606,030	824,405
Reconciliation of funds					
Total funds brought forward		2,159,594	(5,277,642)	747,572	(2,370,476)
Total funds carried forward		2,779,453	(5,679,126)	1,353,602	(1,546,071)

PETERBOROUGH DIOCESE EDUCATION TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	13		1,735,027		1,353,602
Current assets					
Stocks	14	-		2,752	
Debtors	15	587,491		977,674	
Cash at bank and in hand		4,104,775		2,931,693	
		<u>4,692,266</u>		<u>3,912,119</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(1,045,269)		(1,120,792)	
Net current assets			<u>3,646,997</u>		<u>2,791,327</u>
Net assets excluding pension liability			<u>5,382,024</u>		<u>4,144,929</u>
Defined benefit pension scheme liability	20		(5,863,000)		(5,691,000)
Net assets			<u>(480,976)</u>		<u>(1,546,071)</u>
Funds of the Academy Trust:					
Restricted funds	18				
- Fixed asset funds			2,376,019		1,353,602
- Restricted income funds			273,799		11,874
- Pension reserve			(5,863,000)		(5,691,000)
Total restricted funds			<u>(3,213,182)</u>		<u>(4,325,524)</u>
Unrestricted income funds	18		<u>2,732,206</u>		<u>2,779,453</u>
Total funds			<u>(480,976)</u>		<u>(1,546,071)</u>

The accounts on pages 23 to 51 were approved by the Directors and authorised for issue on 18 December 2018 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 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Net cash provided by operating activities	21		1,166,574		615,356
Cash flows from investing activities					
Dividends, interest and rents from investments		1,859		682	
Capital grants from DfE Group		645,267		255,416	
Capital funding received from sponsors and others		15,725		261,059	
Purchase of tangible fixed assets		(656,343)		(722,141)	
Net cash provided by/(used in) investing activities			6,508		(204,984)
Net increase in cash and cash equivalents in the reporting period			1,173,082		410,372
Cash and cash equivalents at beginning of the year			2,931,693		2,521,321
Cash and cash equivalents at end of the year			4,104,775		2,931,693

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

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

1.3 Conversion to an academy trust

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

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

1.4 Income

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

Grants

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

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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

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

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Expenditure on raising funds

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

Charitable activities

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

1.6 Tangible fixed assets and depreciation

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

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

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

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

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

1.7 Liabilities

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

1.8 Leased assets

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

1.9 Financial instruments

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

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Financial assets

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

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

Financial liabilities

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

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

1.10 Stock

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

1.11 Taxation

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

1.12 Pensions benefits

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

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

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

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.13 Fund accounting

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

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

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

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 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 2018 £	Total 2017 £
Capital grants	-	640,992	640,992	516,263
Other donations	250,697	20,000	270,697	380,302
	<u>250,697</u>	<u>660,992</u>	<u>911,689</u>	<u>896,565</u>

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE / ESFA grants				
General annual grant (GAG)	-	15,810,777	15,810,777	12,821,622
Start up grants	-	125,000	125,000	340,000
Other DfE group grants	-	2,141,990	2,141,990	1,659,111
	-	18,077,767	18,077,767	14,820,733
Other government grants				
Local authority grants	-	504,024	504,024	380,844
Special educational projects	-	25,844	25,844	-
	-	529,868	529,868	380,844
Other funding				
Other incoming resources	6,921	-	6,921	-
Total funding	6,921	18,607,635	18,614,556	15,201,577

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Other income	250,287	556,339	806,626	645,859

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Other investment income	1,859	-	1,859	682

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
	£	Premises	Other	2018	2017
	£	£	£	£	£
Academy's educational operations					
- Direct costs	12,654,610	-	1,817,986	14,472,596	11,831,226
- Allocated support costs	3,130,604	1,294,737	1,727,536	6,152,877	5,052,327
	<u>15,785,214</u>	<u>1,294,737</u>	<u>3,545,522</u>	<u>20,625,473</u>	<u>16,883,553</u>

Net income/(expenditure) for the year includes:

	2018	2017
	£	£
Fees payable to auditor for:		
- Audit	22,000	25,000
- Other services	8,000	5,000
Operating lease rentals	25,337	17,259
Depreciation of tangible fixed assets	274,918	116,111
Net interest on defined benefit pension liability	166,000	135,000

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

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 2018

8 Central services

(Continued)

The amounts charged during the year were as follows:

	2018 £	2017 £
Barby	24,809	25,059
Braunston	36,347	36,893
Collingtree	35,512	15,036
Cottingham	26,966	25,720
Cranford	20,809	3,559
Easton Garford	10,872	11,231
Great Addington	21,678	22,678
Greens Norton	26,042	12,803
Isham	20,589	3,520
Loddington	23,251	23,703
Mears Ashby	18,198	7,705
Milton	20,872	22,643
Pytchley	20,792	23,855
Ringstead	23,823	24,528
Ryhall	29,483	26,557
St Andrews	58,093	56,954
St Barnabas	33,727	34,568
St James	86,473	89,785
St Luke's	69,722	59,161
Staverton	21,198	22,150
Towcester	56,627	52,328
Weldon	36,850	37,408
Head office	-	-
Silverstone	26,516	
Guilsborough	16,339	
Welford, Sibbertoft & Sulby	20,541	
	<u>786,129</u>	<u>637,844</u>

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Direct costs				
Educational operations	440,612	14,031,984	14,472,596	11,831,226
Support costs				
Educational operations	75,586	6,077,291	6,152,877	5,052,327
	<u>516,198</u>	<u>20,109,275</u>	<u>20,625,473</u>	<u>16,883,553</u>

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Charitable activities

(Continued)

Analysis of costs	2018 £	2017 £
Direct costs		
Teaching and educational support staff costs	12,621,479	10,225,796
Staff development	33,131	15,000
Technology costs	194,135	180,316
Educational supplies and services	467,424	419,106
Other direct costs	1,156,427	991,008
	<u>14,472,596</u>	<u>11,831,226</u>
Support costs		
Support staff costs	3,130,604	2,331,220
Depreciation	274,918	116,111
Technology costs	197,456	105,883
Recruitment and support	431,671	483,672
Maintenance of premises and equipment	380,837	454,467
Cleaning	186,945	160,685
Energy costs	201,374	158,085
Rent, rates and other occupancy costs	91,909	38,872
Insurance	107,616	97,828
Security and transport	51,138	38,732
Catering	46,337	19,238
Finance costs	166,000	135,000
Other support costs	783,195	808,260
Governance costs	102,877	104,274
	<u>6,152,877</u>	<u>5,052,327</u>

10 Staff

Staff costs

Staff costs during the year were:

	2018 £	2017 £
Wages and salaries	12,676,542	10,169,547
Pension costs	2,857,679	2,152,414
Staff costs	<u>15,534,221</u>	<u>12,321,961</u>
Agency staff costs	202,496	232,015
Staff development and other staff costs	48,497	18,040
Total staff expenditure	<u>15,785,214</u>	<u>12,572,016</u>

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff

(Continued)

Staff numbers

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

	2018 Number	2017 Number
Teachers	252	220
Administration and support	446	350
Management	4	2
	<u>702</u>	<u>572</u>

Higher paid staff

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

	2018 Number	2017 Number
£60,000 - £70,000	<u>8</u>	<u>4</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £30,000 (2017: £nil).

Key management personnel

The key management personnel of the Academy Trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £195,278 (2017: £81,303).

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 M Cowland (Director)

- Remuneration £60,000 - £70,000 (2017: £50,000- £55,000)
- Employer's pension contributions £10,000 - £15,000 (2017: £5,000-£10,000)

Mrs H Buckley (Director)

- Remuneration £10,000 - £15,000 (2017: £10,000-£15,000)
- Employer's pension contributions £0,000 - £5,000 (2017: £0,000-£5,000)

Mr D Mills (Director)

- Remuneration £55,000 - £60,000 (2017: £nil)
- Employer's pension contributions £10,000 - £15,000 (2017: £nil)

During the year, travel and subsistence payments totalling £2,095 (2017: £1,535) was reimbursed or paid directly to 2 individuals.

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

12 Directors and officers insurance

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

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

13 Tangible fixed assets

	Leasehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2017	762,195	363,676	413,406	23,260	1,562,537
Additions	280,133	98,563	274,447	3,200	656,343
At 31 August 2018	1,042,328	462,239	687,853	26,460	2,218,880
Depreciation					
At 1 September 2017	30,022	92,280	77,697	8,936	208,935
Charge for the year	30,333	133,302	106,200	5,083	274,918
At 31 August 2018	60,355	225,582	183,897	14,019	483,853
Net book value					
At 31 August 2018	981,973	236,657	503,956	12,441	1,735,027
At 31 August 2017	732,173	271,396	335,709	14,324	1,353,602

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 Stocks	2018 £	2017 £
Uniforms	-	2,752
15 Debtors	2018 £	2017 £
Trade debtors	44,723	53,034
VAT recoverable	120,152	472,804
Other debtors	500	2,144
Prepayments and accrued income	422,116	449,692
	587,491	977,674

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16 Creditors: amounts falling due within one year	2018	2017
	£	£
Trade creditors	216,140	320,207
Other taxation and social security	239,271	206,427
Other creditors	2,841	1,946
Accruals and deferred income	587,017	592,212
	<u>1,045,269</u>	<u>1,120,792</u>
17 Deferred income	2018	2017
	£	£
Deferred income is included within:		
Creditors due within one year	<u>398,294</u>	<u>410,786</u>
Deferred income at 1 September 2017	410,786	281,767
Released from previous years	(410,786)	(281,767)
Resources deferred in the year	<u>398,294</u>	<u>410,786</u>
Deferred income at 31 August 2018	<u><u>398,294</u></u>	<u><u>410,786</u></u>

Included in deferred income is the money received for the UIFSM grant for 2018-19 academic year.

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

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

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

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

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

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

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

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

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

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

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	289,358	28,632,399	(28,921,757)	-	-
Start up grants	-	465,000	(403,449)	-	61,551
Other DfE / ESFA grants	-	3,801,101	(3,603,006)	-	198,095
Other government grants	-	910,712	(884,867)	(11,692)	14,153
Other restricted funds	-	1,032,839	(1,032,839)	-	-
Pension reserve	(5,567,000)	(1,479,000)	(1,553,000)	2,736,000	(5,863,000)
	<u>(5,277,642)</u>	<u>33,363,051</u>	<u>(36,398,918)</u>	<u>2,724,308</u>	<u>(5,589,201)</u>
Restricted fixed asset funds					
DfE group capital grants	747,572	1,157,255	(116,111)	205,666	1,994,382
Other capital funding	-	20,000	-	(20,000)	-
Capital expenditure from grants and other funds	-	-	(274,918)	656,343	381,425
Private sector capital sponsorship	-	212	-	-	212
	<u>747,572</u>	<u>1,177,467</u>	<u>(391,029)</u>	<u>842,009</u>	<u>2,376,019</u>
Total restricted funds	<u>(4,530,070)</u>	<u>34,540,518</u>	<u>(36,789,947)</u>	<u>3,566,317</u>	<u>(3,213,182)</u>
Unrestricted funds					
General funds	<u>2,159,594</u>	<u>2,122,008</u>	<u>(719,079)</u>	<u>(830,317)</u>	<u>2,732,206</u>
Total funds	<u>(2,370,476)</u>	<u>36,662,526</u>	<u>(37,509,026)</u>	<u>2,736,000</u>	<u>(480,976)</u>

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

Total funds analysis by academy

	2018	2017
	£	£
Fund balances at 31 August 2018 were allocated as follows:		
Barby	82,272	78,817
Braunston	226,935	221,242
Collingtree	100,027	65,754
Cottingham	77,140	40,725
Cranford	78,096	36,908
Easton Garford	157,046	61,772
Great Addington	19,720	15,774
Greens Norton	103,605	83,699
Isham	27,975	(4,458)
Loddington	98,920	74,483
Mears Ashby	68,414	53,055
Milton	(2,110)	44,481
Pytchley	60,439	50,652
Ringstead	41,082	35,048
Ryhall	11,033	23,275
St Andrews	243,619	263,880
St Barnabas	235,165	333,695
St James	314,066	459,644
St Luke's	174,863	178,173
Staverton	21,193	45,592
Towcester	(6,377)	180,285
Weldon	7,988	62,061
Head office	277,978	386,770
Silverstone	490,027	
Guilsborough	33,165	
Welford, Sibbertoft & Sulby	63,724	
Total before fixed assets fund and pension reserve	3,006,005	2,791,327
Restricted fixed asset fund	2,376,019	1,353,602
Pension reserve	(5,863,000)	(5,691,000)
Total funds	(480,976)	(1,546,071)

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 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
	£	£	£	£	£
Barby	388,629	61,773	44,336	87,722	582,460
Braunston	549,596	80,900	66,759	151,021	848,276
Collingtree	548,976	77,126	75,342	118,275	819,719
Cottingham	385,050	52,212	64,003	86,097	587,362
Cranford	293,635	48,456	57,566	76,035	475,692
Easton Garford	74,272	8,645	24,365	17,522	124,804
Great Addington	348,508	51,955	26,416	60,265	487,144
Greens Norton	390,706	82,952	48,105	80,306	602,069
Isham	315,717	64,607	25,975	48,620	454,919
Loddington	363,638	64,769	48,892	79,083	556,382
Mears Ashby	275,142	40,072	31,490	61,335	408,039
Milton	302,510	53,129	24,440	46,900	426,979
Pytchley	361,677	59,046	32,097	86,651	539,471
Ringstead	338,942	62,541	64,373	63,149	529,005
Ryhall	491,544	65,137	41,902	110,891	709,474
St Andrews	968,053	222,287	99,949	188,081	1,478,370
St Barnabas	506,771	66,949	64,428	162,388	800,536
St James	1,514,810	381,080	156,074	289,291	2,341,255
St Luke's	1,059,864	113,902	80,523	238,672	1,492,961
Staverton	365,427	59,164	39,071	78,341	542,003
Towcester	923,551	151,447	118,300	124,502	1,317,800
Weldon	554,816	98,097	60,711	203,499	917,123
Head office	-	464,633	773,189	554,554	1,792,376
Silverstone	412,892	77,991	31,045	113,854	635,782
Guilsborough	285,349	37,292	18,711	34,051	375,403
Welford, Sibbertoft & Sulby	327,909	42,196	56,065	78,981	505,151
	<u>12,347,984</u>	<u>2,588,358</u>	<u>2,174,127</u>	<u>3,240,086</u>	<u>20,350,555</u>

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Analysis of net assets between funds

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

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

20 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 2012, and that of the LGPS related to the period ended 31 March 2016.

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

Teachers' Pension Scheme

Introduction

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

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

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £1,208,746 (2017: £969,000).

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

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

Local Government Pension Scheme

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

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

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

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

20 Pension and similar obligations

(Continued)

Total contributions made	2018 £	2017 £
Employer's contributions	882,000	703,000
Employees' contributions	227,000	174,000
Total contributions	1,109,000	877,000

Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	2.7	2.7
Rate of increase for pensions in payment/inflation	2.4	2.4
Discount rate for scheme liabilities	2.8	2.5

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

	2018 Years	2017 Years
Retiring today		
- Males	22.1	22.1
- Females	24.2	24.2
Retiring in 20 years		
- Males	23.9	23.9
- Females	26.1	26.1

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

	2018 Fair value £	2017 Fair value £
Equities	4,425,000	3,254,000
Bonds	941,000	714,000
Cash	178,000	136,000
Property	485,000	311,000
Total market value of assets	6,029,000	4,415,000

The actual return on scheme assets was £273,000 (2017: £478,000).

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2018 £	2017 £
Current service cost	778,000	474,000
Interest cost	166,000	135,000
Total operating charge	944,000	609,000

Changes in the present value of defined benefit obligations

2018
£

At 1 September 2017	10,106,000
Obligations acquired on conversion	792,000
Current service cost	1,660,000
Interest cost	288,000
Employee contributions	227,000
Actuarial gain	(1,122,000)
Benefits paid	(59,000)
At 31 August 2018	11,892,000

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

2018
£

At 1 September 2017	4,409,000
Assets acquired on conversion	(198,000)
Transferred in on existing academies joining the Academy Trust	495,000
Interest income	128,000
Actuarial gain	145,000
Employer contributions	882,000
Employee contributions	227,000
Benefits paid	(59,000)
At 31 August 2018	6,029,000

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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

	2018 £	2017 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(201,905)	(644,595)
Adjusted for:		
Net (surplus)/deficit on conversion to academy	(88,838)	505,725
Capital grants from DfE/ESFA and other capital income	(660,992)	(516,475)
Investment income receivable	(1,859)	(682)
Defined benefit pension costs less contributions payable	778,000	474,000
Defined benefit pension net finance cost	166,000	135,000
Depreciation of tangible fixed assets	274,918	116,111
Decrease/(increase) in stocks	2,752	(2,752)
Decrease/(increase) in debtors	390,183	(449,612)
(Decrease)/increase in creditors	(75,523)	520,361
Stocks, debtors and creditors transferred on conversion	583,838	478,275
Net cash provided by operating activities	1,166,574	615,356

22 Commitments under operating leases

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

	2018 £	2017 £
Amounts due within one year	25,619	20,315
Amounts due in two and five years	37,130	27,320
	62,749	47,635

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

23 Related party transactions

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

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

£63,218 from Diocesan Office, in which Bishop J Holbrook (Member) has an interest. The nature of the transaction related to staff time and SLA recharges. There was no balance outstanding at the year end.

£67,833 from PS Financials; a company in which K Binley (Director) resigned as a Director on 23 December 2016 but was still an employee for part of this financial year. The nature of these transactions were the purchase of accountancy and financial management software and support. There was no balance outstanding at the year end.

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

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

£699 from Great Addington School Fund, in which Mrs H Buckley (Director) is the chair of the governing body of the primary school. The nature of the transaction related to school trip costs. There was no balance outstanding at the year end.

£33 from PTRC Education & Training Limited, in which Mr A Weatherill (Director) is a Director of the company. The nature of the transaction was to provide summer sports training in the school. 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 2017.

24 Members' liability

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

PETERBOROUGH DIOCESE EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

25 Conversion to an academy

On the dates as shown, the 3 academies stated below converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Peterborough Diocese Education Trust from the Northamptonshire Local Authority for £nil consideration.

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

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

Academy	Location	Date of conversion
Silverstone	Towcester	1 February 2018
Guilsborough	Northampton	1 March 2018
Welford, Sibbertoft & Sulby	Northampton	1 October 2017

	2018 £
Net assets transferred:	
LGPS pension surplus/(deficit)	(495,000)
Budget surplus on LA Funds	583,838
	<u>88,838</u>

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2018 £
Funds surplus/(deficit) transferred:				
School private fund	583,838	-	-	583,838
LGPS pension funds	-	(495,000)	-	(495,000)
	<u>583,838</u>	<u>(495,000)</u>	<u>-</u>	<u>88,838</u>