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Company Registration No. 09343767 (England and Wales)

SOMERSET ROAD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019



SOMERSET ROAD EDUCATION TRUST

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SOMERSET ROAD EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

T Branch (Member and Trustee)
C Clifford
D Goldsmith
A Mayhew (Representative of the Corporate Member)
D Melville

Trustees

M Newton (Chair of Trustees)
T Branch (Chair of Resources Committee)
M Sambrook (CEO/Executive Principal & Accounting Officer)
R Bexon (Resigned 31 August 2019)
A Mayhew (Resigned 31 August 2019)
M Podkolinski (Resigned 31 August 2019)
L Steer
R Cooper (Appointed 1 September 2018)
A King (Appointed 1 September 2018 and resigned 31 August 2019)
R McClatchey (Appointed 7 October 2018)
J Baylis (Appointed 18 September 2019)
O Bourne (Appointed 4 June 2019)
T Milne (Appointed 19 September 2019)
D McKay (Appointed 27 November 2019)

Senior management team

- Head Exeter House	M Sambrook
- Head St Marks CE Junior School	G Flemington
- Head Wyndham Park Infants School	Z Bailey (Resigned 31 August 2019)
- Trust Business Manager	S Day

Company secretary

S Day

Company registration number

09343767 (England and Wales)

Registered office

Exeter House School
Somerset Road
Salisbury
Wiltshire
SP1 3BL

Academies operated

Exeter House Special School
St Marks CE Junior School
Wyndham Park Infants School
Somerset Road Academy Trust

Location

Salisbury
Salisbury
Salisbury
Salisbury

Headteacher

M Sambrook
G Flemington
Z Bailey

Independent auditor

Moore (South) LLP
33 The Clarendon Centre
Salisbury Business Park
Dairy Meadow Lane
Salisbury
Wiltshire
SP1 2TJ

SOMERSET ROAD EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank Plc Salisbury
38 Blue Boar Row
Salisbury
Wiltshire
SP1 1DB

Solicitors

Stone King LLP
13 Queen Square
Bath
BA1 2HJ

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report, together with the financial statements and Auditors Report for the charitable company, Somerset Road Education Trust (SRET) for the 12 months commencing 1 September 2018 and ending 31 August 2019. The annual report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

What we do

Education should empower children to become active participants in the transformation of their societies. It develops a pupil's perspective of looking at life. It helps pupils build opinions and have points of view. Learning should also focus on the values, attitudes and behaviours which enable individuals to live together in this complex world: characterised by the existence of different types of people, who have different beliefs and opinions but who live in the same society. Our challenge is to deliver this education, whilst also delivering the educational outcomes sought, measured and published by our funding partners.

We are an outward facing Trust, keen to work and engage with communities, schools and Trusts, to help and support the education of all children. This year we demonstrated and received independent validation of our strong capability in special needs education and in school improvements: and have shared these capabilities with a number of local schools and Trusts. In addition, actions have been taken to enable financial sustainability to be delivered in the 2019/20 academic year and beyond.

The Trust offers primary education in both an infant and junior school to children living in and around Salisbury and specialist education to children with severe, complex and profound disabilities from predominantly Wiltshire, but also from Hampshire and Dorset.

This year the Multi Academy Trust (MAT) operated three academies.

- **Exeter House Special School** – caters for children aged 2 – 19 with severe and profound multiple learning difficulties. The school had a capacity of 134 and pupil numbers of 132. From September 2019 our capacity increased to 142 and we are full. Our Post 14 Vocational Centre is based in the centre of Salisbury.
- **St. Mark's C of E Junior School** – caters for children from 7 – 11 (years 3 – 6). It has three classes of 30 pupils in each of our four-year groups, giving a total capacity of 360 pupils. Total number on role 362. St Mark's is a Church of England school and upholds Christian and Anglican values.
- **Wyndham Park Infants School** – caters for reception and years 1 and 2 children. It has three classes of 30 pupils in each of its three-year groups, giving a total capacity of 270 pupils. Total number on role 268.

From September 2019 both St Mark's and Wyndham Park academies have operated under one Head Teacher, with a goal to deliver one leadership team which will serve both schools.

The term school and academy are interchangeable throughout this report.

Structure, governance and management

Constitution

The Trust is a company limited by guarantee and is an exempt charity. The company Articles of Association remain the primary governing documents of the Trust.

The Trustees of Somerset Road Education Trust (SRET) are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Somerset Road Education Trust.

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

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Members' liability

The role of a Member is to keep an oversight of the Trust board but not to be involved in the day to day management of the Trust. For example, Members appoint the Trust's auditors and receive the annual audited financial statements, but these are signed by a representative of the Trust board. Members hold the powers to:

- Amend the Articles subject to any restrictions in the Trust's funding agreement
- Appoint new and remove existing Members
- Appoint new and remove serving Trustees
- Issue direction to the Trustees to take a specific action
- Instruct Trustees to convene an AGM
- Change the name of the charitable company and,
- Ultimately, they have the power to wind up the Trust.

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, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a Member.

Trustees' indemnities

Since the incorporation of the charitable company on the 5 December 2014 the Trustees have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. The indemnity is unlimited and available under the ESFA insurance pooling scheme.

Method of recruitment and appointment or election of Trustees

In accordance with our Articles of Association the Members are responsible for recruiting Trustees/ Directors.

- The academy Local Governing Committees (LGCs), which reduced to two with effect from September 2019, have a seat on the board.
- A further three Trustees are Foundation Trustees appointed by the Diocese of Salisbury.
- The remaining Trustees are recruited externally.

When recruiting a new Trustee, we seek to improve our board capability and diversity. A vacancy on the board is an opportunity to access new thinking, insights, experiences, and knowledge, which can impact positively on decision making, corporate governance, and performance.

Whilst recruiting a more diverse group of board members is important, it is not in itself enough. It must be accompanied by inclusion, a culture that genuinely welcomes, values and leverages the advantages of diversity.

The Trust follows a safe recruitment procedure in line with current legislation whereby all candidates are asked to complete a standard application form, including a schedule of all previous employment, the reason they wish to become a Trustee and to provide personal references, who can provide further information on their suitability for the role. The prospective candidates will be long listed, then short listed. An interview panel of Trustees will undertake a competency-based interview with those on the short list to determine what if any recommendation should be made to the Members. Prior to any appointment being made various background checks will be undertaken which will include appropriate DBS certification.

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Policies and procedures adopted for the induction and training of Trustees

It is essential that all Trustees are fully aware of their role and responsibilities. Whilst there is a standard induction program for all Trustees, this is suitably tailored to the individual experience and need of each Trustee. Induction consists of reading various publications that support the governance of the Trust, web-based training courses and all Trustees will visit each academy to observe teaching and have the opportunity to talk to Headteachers, staff and pupils.

The Trustees currently subscribe to the Wiltshire Governors' Association and the National Governors' Association and we arrange for further external training, or attendance at various conferences if required. An ongoing training programme ensures Trustees' knowledge and skills remain current.

Organisational structure

Trustees of SRET are both Trustees of the charity and Directors of the company limited by guarantee. The Charities Act 2011 defines Charity Trustees as the people responsible under the charity's governing document for controlling the administration and management of the charity. They are known collectively as the SRET board.

Under charity law the board has the ultimate responsibility for directing the affairs of the Trust, and ensuring that it is solvent, well run and delivering the charitable outcomes for which it has been set up. Trustees have several legal duties, which are often termed as those of compliance, care and prudence

Trustees must:

- Ensure that the Trust has a clear strategy that will enable it to fulfil its charitable aims and is focused on achieving these.
- Be responsible for the performance of the Trust, for its impact upon stakeholders and for its corporate behaviour.
- Ensures the Trust complies with all constitutional, legal, regulatory and statutory requirements, in addition to the various policies adopted.
- Be stewards of the Trust assets, both tangible and intangible, taking care over their security, and how they are used:
- Ensure that governance is of the highest standard

The CEO/ Executive Principal is the Accounting Officer of the Trust and has executive responsibility for implementing the strategy and policies established by the board.

Arrangements for setting pay and remuneration of key management personnel

All staff fall under our agreed pay policy and are assessed by their Headteacher/ Executive Principal. All pay increment recommendations are subject to review and authorisation by our Pay Panel. The Trust adopts the School Teachers' Pay and Conditions Document 2019 and any additional guidance on schoolteachers' pay and conditions written by the DFE.

The Headteachers within the Trust are deemed "key management personnel" and their performance management is undertaken by the Executive Principal and their LGC Chair. The Executive Principal is both the Headteacher of Exeter House and CEO/Accounting Officer of the Trust and accordingly is performance managed by a panel which includes the Chair of Exeter House LGC, the Chair of the SRET Board and an external independent professional whose specialism is education/school improvement from outside the Trust.

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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

1%-50%

-

51%-99%

-

100%

-

Percentage of pay bill spent on facility time

Total cost of facility time

-

Total pay bill

-

Percentage of the total pay bill spent on facility time

-

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

SRET has no formal relationship with related parties or connected charities or organisations.

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities

Objects and aims

Our purpose, vision, goals, values, beliefs and behaviours

Our **purpose** as stated in our articles of association, is to advance for the public benefit, education in the UK, by managing and developing academies which offer a broad and balanced curriculum.

Our **vision** guides everything we do - we exist to change lives for the better and so seek the best possible education for all through increasing access, opportunity and possibility.

Our **goals** challenge us to achieve specific outcomes over the medium term, which will support the delivery of our vision:

- To achieve outstanding Ofsted inspections for all schools and gain external recognition of outstanding provision and practice.
- To successfully prepare pupils for the next stage of their education / life.
- To be a centre for excellence in education.
- To be an emotionally healthy trust.
- To ensure and maintain high stakeholder engagement.

Our **values and beliefs** underpin our vision. Exciting and challenging as our vision and goals are, we can only truly succeed if we work in accordance with our values and beliefs. Our values of inclusion, aspiration, achievement and fulfilment shine out from our beliefs.

- We believe in the extraordinary in everyone.
- We believe that everyone is a valuable part of society, no matter what their needs or difficulties.
- We believe that everyone should be valued and has the right to feel fulfilled and challenged.
- We value and respect the beliefs and faiths of all peoples.
- We believe that education is a key to change and that change is both important and necessary.

Our behaviours. We exist to change lives for the better – to do this:

- We not only believe in the extraordinary but seek it out in everyone we work with and who works for us.
- We champion inclusion – so that no matter what your needs are, you will be embraced by our community and valued for who you are and the possibility of what you can be.
- We challenge pupils and staff alike to grow as learners and actively engage in the community where they will not only be valued but also recognise the value in others.
- We promote the importance of education and learning for all as we recognise that through education; achievement, aspiration and opportunity improves for each of us as does our capacity to recognise this in others.

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

We have made good progress in delivering our planned changes

Our focus remains the development and delivery of a consistently high quality, balanced education, valuing all students, no matter their needs and differences. We seek to deliver this by creating an environment and through a curriculum, which provides the fullest possible opportunity and challenge. We remain unshakeable in our belief that everyone is capable of extraordinary accomplishments.

This year our academies have delivered on their plans, building capacity and increased dynamism, to address many challenges. Decisions have been made that keep the needs of our pupils and employees central to the improvement of the organisation. Critical to this, has been a focus on:

- Improving standards; where each academy takes ownership for the establishment of systems and structures providing a firm foundation from which to take the next step.
- Strategic coherence across the Trust and in all academies.
- An enhanced understanding about how efficiency, effectiveness and sustainability provide the necessary lens through which to evaluate the direction and decisions taken.
- Delivering structural change and negotiating changes to funding arrangements to deliver stability and financial sustainability to the Trust for the medium term.

We have moved demonstrably closer to delivering our medium-term plans.

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Our progress to date against our medium-term goals

Goals	Progress against board agreed goals
To achieve outstanding Ofsted inspections for all schools and gain external recognition of outstanding provision and practice	<p>1) The Trust is delivering a balanced education.</p> <p>2) Whilst the Trust still has work to do, our own assessments verified annually by an independent third party, confirms we are on a path to delivering outstanding provision and practice within the time scales of our plan.</p> <p>3) The 2019 KS2 results at St. Mark's place the academy towards the very top of Junior Schools in Wiltshire.</p>
To successfully prepare pupils for the next stage of their education / life	<p>1) The improving education outcomes, demonstrated by our KS2 and KS5 results, provides pupils with challenge, achievement and preparedness for the next stage of their education.</p> <p>2) At the Exeter House Vocational Centre, we prepare our students for work, by seeking work experience opportunities in the local community.</p> <p>3) Work is being carried out to ensure the characteristics of secondary and junior school readiness have been identified and are built into the school curriculum.</p>
To be a centre for excellence in education	<p>1) Exeter House has been nominated as the Centre of Excellence for SEN in South Wiltshire.</p> <p>2) Our work on school improvement has been recognised and we have won Challenge Partner Hub status. This will enable us to help and support other schools and MATs to deliver an improved education and access increased training and development opportunities.</p> <p>3) Exeter House has been recognised as an Autism Education Trust (AET) hub for Wiltshire working with pupils from early years to Post-16.</p> <p>4) There has been no opportunity or invitation to apply for National Support School status in 2018 or 2019.</p>
To be an emotionally healthy trust	<p>1) We have commenced delivery with wellbeing workshops for employees and wellbeing groups have now been set up at each academy, with coordination through our centralised HR team.</p> <p>2) We are reviewing structures and systems around stakeholder voice and how this can be best used to effect positive change.</p>
To ensure, maintain and build high stakeholder engagement	<p>1) Our governance structure particularly the LGCs helps collect feedback from, and engage in dialogue with pupils, parents and staff.</p> <p>2) Surveys and meetings provide quantitative and qualitative feedback. Further plans for academy staff, parent and pupil forums are in development.</p>

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Public benefit

The primary purpose of SRET is the advancement of education within the local area. SRET has given a priority to providing public benefit to a cross section of the community, regardless of family background. Perhaps the greatest benefit that SRET offers is the provision of an education that maximises each student's potential to develop into principled, informed, open minded and confident citizens who respect the beliefs of others and who are determined to make a positive contribution to society.

The Trustees adhere closely to the guidance provided in the Charity Commission's general guidance on public benefit when reviewing their aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report

Achievements and performance

Our strategic report

To deliver on our goals we have set our self, three enabling objectives. During this year we have delivered:

Objective 1: Improve leadership and increase capacity

- Developed a compelling vision and three-year plan with agreed goals and milestones, which reaffirms our aim to achieve external recognition of outstanding provision and practice and financial sustainability.
- Our Wyndham Park Head Teacher was promoted and left the Trust at the end of the 2018/ 19 academic year. The Trust has chosen to implement one leadership structure for both Wyndham Park Infants school and St Mark's Junior school. This new structure has commenced with the appointment of one Head Teacher for both academies with effect from September 2019. The benefits over time that will be realised as a result of this decision are:
 - Better, broader offer for pupils, both curricular & extra – curricular, with a positive impact on standards for both schools.
 - More opportunity to employ specialist staff, leading to improved recruitment, succession planning, CPD and retention.
 - Enable the same systems of data collection, assessment, moderating, benchmarking and improvements across both schools.
 - A greater capacity for innovation and development.
 - A more sustainable financial position.
- As an outward facing Trust, we see financial strain across all educational settings especially those working with special needs pupils. This is a risk issue for any Trust with a special school and one that potentially needs an alternate approach both within Salisbury and the local authority. The future success of Exeter House is linked with these issues. Therefore, the Trust has agreed that the Exeter House Head Teacher can be released for a number of days a week to work for Wiltshire County Council to address these issues across the county. The Trust will receive appropriate reimbursement which will enable an effective interim staffing model to be put in place.

Objective 2: Improving standards and raise aspirations

- There has been an increase in each academy's aspiration of what can be achieved. This has been demonstrated by our phonics and EYFS outcomes and at Key Stage 2 and 5. These results help demonstrate and validate our strong school improvement capability.
- All academies have been assessed against our school improvement model, which delivers clear action orientated feedback to facilitate continuous improvement. In addition, we commissioned an external assessment of all three academies in both 2018 and 2019, which confirmed our own assessments of each academies position and progress.
- As a result of the improved outcomes of the 2019 reviews, the Trust has been invited to become a Challenge Partner Hub, providing help support and guidance to other schools and Trusts. This provides an external validation of the Trust's improvement capability.
- Exeter House has been designated as the Centre of Excellence for special education needs in South Wiltshire providing a welcome further external validation of our SEN capabilities.

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

- Exeter House has been recognised as an Autism Education Trust (AET) hub for Wiltshire from early years to Post – 16 pupils.

Objective 3: Enhance resources and maximise their use

- As mentioned previously, following the promotion of our Wyndham Park Headteacher, we have not reappointed on a like for like basis to this position, but rather restructured the leadership of both the infant and junior school, seeking to deliver a strong, effective and efficient leadership model. This also results in an opportunity for financial sustainability for these two schools. The two schools of St Marks and Wyndham Park will remain on their existing sites, retain their names, uniforms and their special unique identity. However, these academies will be led by one Headteacher and one executive team. This will facilitate a more flexible and efficient use of resources and an even better pupil transition from the infant to the junior school: enabling a continuous uninterrupted education, with an expectation over time of a further improvement in education outcomes.
- We have further developed our centralised provision for HR services, tackling issues previously undertaken at academy level more efficiently at Trust level. This has reduced duplication, improved quality and enabled more time to be spent by senior leaders on improving education outcomes for pupils.
- Our planned centralisation of both our finance and IT capability remains in plan but has been delayed pending resolution of various issues including IT supplier contracts.
- Further improved our risk management framework, specifically the identification and management of risk.

Academy reports

Wyndham Park Infants School

At Wyndham Park we recognise the importance of working with parents to support and encourage their children to become lifelong learners. By providing a welcoming, warm, creative and stimulating environment we strive for all children to enjoy their education and their time at Wyndham Park.

As a large infant school, our intake of pupils is from a number of pre-schools in Salisbury with over half our children coming from St. Mark's Pre-School, which is based on the same site as the Trust but is not a part of the Trust.

The academy leadership have embraced the Trust wide school improvement model and the improved outcomes for, EYFS and phonics is welcome.

During the year at Wyndham Park

- The school, monitors, evaluates and reviews both teaching and learning and seeks to reduce any variation in educational outcomes across year groups.
- Pupils have continued to benefit from a broad and balanced curriculum.
- Each year group performed stage shows to their families with children involved in singing, dancing, acting, creating scenery and controlling the stage music and lights.
- Maintained and created links with the local community through our involvement with Salisbury Playhouse, St. Mark's Church, The Bridge and others.
- Grown our links with Braemar Lodge Residential and Nursing home where children visit the residents and undertake a variety of activities with them.
- Physical Education has been further developed by continuing the Golden Mile initiative. Pupils have completed a daily run as well as their PE class increasing their fitness.
- We have continued to run a number of after school clubs, some led by teacher's others in partnership with local sports companies which included dance and groove, fit club, football, running, rugby, multi-skills, art, sewing, choir and film club.

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

St. Mark's C of E Junior School

St Marks is a Church of England school and upholds the Christian and Anglican values and ethos. The majority of pupils enter the school from Wyndham Park Infants School. The academy has fully addressed the issues identified in the 2017 Ofsted report and by July 2019 the educational outcomes at Key Stage 2 had been transformed. In addition, an independent third party review assessed the key aspects of the school as good.

- As a school we invest heavily in recruitment, induction and retention of staff. As part of a Trust wide staff of c.200, opportunities for professional development are significant. 'Grow your own' is a strength shown in Teaching Assistant recruitment and training and teachers being promoted to senior posts locally etc. Additionally, in conjunction with the University of Winchester and as part of a local collective of ten schools (Arrow ITT) we are a leading academy in recruiting and training school direct teacher trainees (PGCE).
- We work closely with a Teaching School Alliance (Pickwick Learning in the north of the county) and have ambitions to build upon these links and create our own collaboration – to share best practice and support local schools. The academy now has two Specialist Leaders in Education (SLE's), for Maths and English, who can further help improve our practice at St Mark's, across the trust and beyond.
- The academy offers an after school care facility on site which serves working family's needs. In addition, we offer an extensive range of after school clubs.
- Our extra - curricular provision, both paid for and free, is well developed - covering a wide range of activities including participation and competitive sports, science, art, literacy, cooking, choir, programming and geography.
- The academy offers specialist teaching in music, computing and PE providing excellent provision for pupils and strong outcomes.
- The academy currently holds the Gold Kitemark (PE and Sport) and the Silver Award for Primary Science Quality Mark.
- We continue our journey to become even more outward facing, collaborating with other MATs, academies, teaching school alliance etc. This reinforces our commitment to work closer with our colleagues in other schools to learn from them, assist them and to engage in more alignment project e.g. curriculum review with secondary and infant partners.

Exeter House Special School

Exeter House is a growing school for students with profound special needs. All students who attend the school have either an Education Health Care Plan (EHCP) or statement of special educational need and have a range of complex needs, including ASD, PMLD and SLD (which is often accompanied by additional medical needs). The complexity of these needs has increased notably in recent years which has necessitated increased specialist training and development at the school.

The school is a specialist environment and as such has developed significant specialism and expertise in a whole range of areas. These specialisms are used for in - reach into our own environment and out-reach to support mainstream schools in the local area and the network of special schools across Wiltshire, including training, development and parental support. The school believes in the ability of all young people to access an education that meets their needs and enables them to flourish. The academy is outward facing seeking not only to be an excellent provider in our own right but part of the wider solution to meet the needs of the most vulnerable pupils in society. We believe that every day is an opportunity to change lives and the reality is, that this belief is regularly achieved.

In addition to a team of highly qualified Teachers and Teaching Assistants, a team of external specialist therapists ensure appropriate support for the most complex needs. We have close working relationships with these professionals which include physiotherapist, occupational therapists, sensory integration practitioners, speech therapist, music therapist, clinical psychologists and other health care professionals including a counselling service.

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Key performance indicators

The academy shares a campus with its MAT partners Wyndham Park Infants and St Marks Junior School. This creates a unique learning campus with much to offer local families and attract new staff. There is a second site in Salisbury city centre to support post 14 students develop their education in a vocational context.

The academy has high expectations of its pupils and staff and believes in the extraordinary in everyone. The last two years has seen significant change and development – but change and development that has provided increased opportunities and achievement for all of our students and increased external recognition for what we do.

During the year at Exeter House

- The school has been nominated as a centre of excellence in SEN for South Wiltshire by the local authority.
- Exeter House has been recognised as an Autism Education Trust (AET) hub for Wiltshire for early years to Post -16 provision.
- In March the school received a positive peer review as part of its annual Challenge Partner Quality Assurance process, where school improvement strategies were recognised as outstanding. There was significant recognition for the development and impact on the school extended leadership team which includes the specialist leaders and department heads.
- The school has led the development of a Challenge Partner Hub (South Wiltshire) in recognition of the capacity the trust has and our journey as a school in the last eighteen months. The Hub will offer leadership development and peer review which will help ensure schools can learn from each other, support and share excellent practice.
- The school now has two SLE (Specialist Leaders in Education) for Communication and Phonics who can help improve our practice at Exeter House, across the Trust and beyond.
- As a result of developing the in-reach program and restructuring to generate additional capacity, the school has developed an outreach provision which has directly supported seven schools and undertaken training for more than 20 schools. Feedback from all interventions has been positive and there is a demand for more.
- Parental support through training, development, workshops, drop - ins and individual work has developed significantly, with positive impact and outcomes notable. The parental training workshops that were further enhanced this year, also have received positive feedback and have this year included parents who have pupils with SEN at other schools and settings.
- Outstanding arts and drama work took place with partners at Salisbury Playhouse Youth Theatre and La Folia music charity.

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Key Performance Indicators

Wyndham Park

	2017	2018	2019
EYFS	70	73	79

Year 1	2017	2018	2019
Phonics	77	77	83

KS1 results: percentage of students studying at the expected level

Subject	2017	2018	2019
Reading	81	89	78
Writing	74	72	66
Maths	72	74	74

KS1 results: percentage of students studying at greater depth within the expected level

Subject	2017	2018	2019
Reading	48	41	26
Writing	21	17	11
Maths	33	29	15

Key stage 1 attainment in the statutory assessments dipped slightly in 2019 in writing and reading however progress from EYFS in both these areas, reading and key groups (including FSM and SEN) showed improvement from the previous year. This dip was the result of an unusually low on entry cohort of the school.

St. Mark's C of E Junior school

KS2 results: percentage of students studying at the expected level

Subject	2017	2018	2019
Reading	68	85	91
Writing	45	85	90
Maths	66	79	89

St Mark's C of E Junior school KS2 results: percentage of students studying at greater depth within the expected level

Subject	2017	2018	2019
Reading	18	31	39
Writing	7	23	24
Maths	20	27	40

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Exeter House School: School-wide overview of Progress towards Targets 2018-19

Dept	Below expected Progress %	On Tack % (to be monitored)	Good Progress* %	Excellent Progress %	Judgement
Lower	9	8	20	63	GOOD
Middle	6	23	46	25	GOOD
Upper	0	0	90	10	EXCELLENT

Exeter House School: overview of examinations: Outcomes v. Predictions

Qualification	Below expected progress %	On Track % (to be monitored)	Good Progress %	Excellent Progress %	Judgement
ASDAN Personal Progress	0	0	100	0	OUTSTANDING
ASDAN PSD	0	0	100	0	OUTSTANDING
Entry Level Maths	0	0	100	0	OUTSTANDING
Entry Level English	0	0	90	10	OUTSTANDING

Exeter House School: Examination Results 2018-19

Key stage	PSED	ASDAN Personal Progress	Open awards	Destination
4 (Year 11)	N/A	2 gained Diplomas 1 gained Certificate including for: developing communication, developing writing skills and number	1 gained Entry 1 English and Entry 2 Maths 1 gained Entry 1 Maths	All Year 11s except one continued onto EH post-16 provision One went to Fairfield Farm
5 (Year 14)	2 gained Certificates Including Working Towards Goals Making the most of leisure time Managing social relationships Preparation for work Managing Own Money Healthy Living Personal safety	3 gained Certificate (PMLD units)	1 gained Entry 1 Maths and Entry 2 Eng 1 gained Entry 2 Maths and English	1 Fairfield farm 4 various social care packages 0 Wiltshire College

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Going concern

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

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Financial review

In the period covered by this report the Trustees report an in-year revenue deficit of £5,865 (2018: deficit £51,381). This is calculated by removing the fixed asset fund and local government pension scheme costs and movement. See the calculation below:

2018/19	£
Surplus / (deficit) for the year	(1,113,007)
Adjustments for	
Remove Capital Grant Income	(359,859)
Add back FRS 102 Pension Costs	239,000
Add back FRS 102 Actuarial Losses	863,000
Add back depreciation	341,685
Contributions from capital to revenue	23,317
Revenue Deficit	(5,865)

The in year deficit of £5,865 has reduced from the in year deficit recorded in 2018 of £51,381.

The majority of the Trust's income is obtained from the Education Schools Funding Agency (ESFA) in the form of General Annual Grant (GAG), the use of which is restricted to a particular purpose which in our case, is the purpose of the Trust.

Additional funding is received from Local Authorities for provision to high needs students. The grants received from the ESFA and Local Authorities during the period to 31 August 2019 and associated expenditure are shown as restricted funds in the statement of activities.

At the 31 August 2019 the balances in the Trust's revenue funds were:

Restricted: £174,228

Unrestricted: £281,453

As of the 31st August 2019 the Trust had a deficit restricted balance of £2,005,000. It recognises a significant pension fund deficit for the Local Government Pension Scheme, and as this is included within the restricted funds the overall position becomes a deficit. However, this does not mean that an immediate liability for this amount crystallises.

All of the academies within the Trust have been under financial pressure due to the real terms' reduction in education funding seen in recent years. In the past we have needed to draw from our reserves to fund excess expenditure. In addition, during the year, we have implemented structural changes at all our schools and with the support of Wiltshire County Council agreed a more appropriate approach to funding special needs education. Accordingly, we have been able to establish budget projections for the medium term, which show year end surpluses at each academy and financial sustainability for the Trust.

Exeter House

This year the finances at Exeter House Special School have again been under pressure, but we have now agreed to change the way we do business to improve the academy funding and increase the number of students on role.

- The academy operates at both Exeter House and the Vocational Centre in Salisbury City centre. Our students aged 14+ now work and study at the Vocational Centre, freeing-up space and enabling growth in pupil numbers at Exeter House. The transporting of our students between these premises is expensive and we have secured a most welcome contribution from the Local Authority to defray these costs.
- The Local Authority have agreed a capital spend of c.£120,000 to enable the premises at Exeter House to be appropriately enhanced to better support the 2019/ 20 intake.
- Schools Forum have agreed a Split Site Payment of £97,000 will be paid to Exeter House School annually.

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

- This year a number of our new pupil intake arrived with an assessed disability banding which was in our opinion incorrect and understated - this had a significant implication on funding. Many man days were invested in preparing appeals, which in the main were successful. Even then the additional funding was not back dated to the start of the academic year, when the students joined us, but to the date of the successful appeal. In future we have agreed to accept all pupils at an assumed banding of three and undertake a meaningful review within the first three months of student entry to Exeter House with the local authority.
- Before we are able to assume any additional responsibilities as the Centre of Excellence for SEN in South Wiltshire, we will need to understand and agree the additional expectations being placed on us and the funding that will enable us to take on and successfully deliver these challenges.

St Marks and Wyndham Park

- With the now much improved results for phonics, EYFS and KS2, coupled with our budgets and financial forecasts demonstrating financial sustainability in the medium term, the board has agreed that some of the reserves can now be applied to improve our premises estate.
- Along with our contribution of c.£15,000 to enable various "CIF" bids at Wyndham Park, the board has agreed to earmark a further c.£50,000 from reserves to undertake emergency property improvements at St Mark's.
- The bringing together of both schools, as one Learning Campus, under one Head Teacher and one senior and middle management team, will bring both further benefits in education outcomes and financial sustainability.
- The number of new students in the September 2019 intake for both schools remain at very close to 100% of our capacity.

Capital works: Condition Improvement Fund (CIF)

Funding major capital expenditure from the annual school income budget is not a realistic option. However, access to capital funding can be achieved through submitting bids for specific project funding from the Condition Improvement Fund (CIF).

- This year we have submitted three successful CIF bids to help improve and upgrade our premises: details are included in the table below. The Trustees have agreed that funds can be drawn from reserves to meet our required contribution to these projects.

Name of academy	Bid title	Total cost	Contribution	Outcome
Wyndham Park	External door replacement	£ 69,068	£ 6,907	Successful
Wyndham Park	Urgent Roofing Works	£ 75,952	£ 7,595	successful
Exeter House	Replacement of defective curtain wall & asbestos removal	£ 94,951	£ 9,495	Successful

- A further three bids were unsuccessful.

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Capital works: outside the CIF funding program

The Trustees have determined that various work at St Mark's is now essential and despite this project being declined in the CIF process it should proceed. Accordingly subject to receipt of satisfactory plans we have "earmarked" up to £50,000 from reserves/additional capital funding to fund this work during 2019/ 20.

Additional capital funding was also received via the ESFA in this financial year.

Additional Capital Income

As per the Chancellor's speech in November, announcing that Primary Schools and Secondary Schools would be given an additional £10,000 - £50,000:

Name of Academy	"Little Extra Capital Funding,"
St Mark's	£14,523
Wyndham Park	£11,567
Exeter House	£13,689

Exeter House purchased one vital piece of equipment with this funding, together with some fencing. Wyndham Park plan to spend this funding in the next financial year 19/20.

Reserves policy

During the year the SRET Board has reviewed its previously agreed reserve policy. The policy has been changed to reflect the Trust strategic coherence and forecast financial sustainability. Accordingly, we have set our self the target of achieving a prudential financial margin to enable the academies to weather business disruption. These reserves will not be designated for specific projects but rather will enable the Trust to better deal with changes and uncertainties in the current educational environment. At the end of the period, the reserves at the three academies have reduced due predominantly providing a contribution to capital projects which were subject to successful CIF bids – see above.

The balances are as follows:

Exeter House School £169,568, equivalent to 6.58% of annual payroll costs
St Marks C.E. School £167,374, equivalent to 14.29% of annual payroll costs
Wyndham Park School £119,124, equivalent to 12.86% of annual payroll costs

Investment policy

The Trust's investment policy is one of minimal risk, accordingly if funds are available these may only be placed on short-term deposit at the most favourable rate available from providers who are covered by the Financial Services Compensation Scheme. The board have delegated this responsibility to the CEO/ Executive Principal.

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Principal risks and uncertainties

To deliver a strong risk management framework we have sought to develop:

- An effective Member Panel.
- A strong and diverse board with Trustees who have the time and skill to commit to their roles.
- Effective delegation to board sub - committees, all with appropriate terms of reference.
- A board agreed risk appetite.
- Risk management standards, particularly the identification and evaluation of risk.

The risks to the Trust are regularly monitored and fall into four main categories:

- Strategic and reputational risk.
- Operational risk.
- Compliance risk.
- Financial risk.

The key risks have been determined as:

Insufficient numbers on student roll – the risk that the various academies fail to recruit sufficient students or that numbers decline. Our pupil intake in September 2019 was at or near our maximum for all our schools.

Measures in place to mitigate this risk

- Robust school improvement strategies in place.
- Recent results in phonics and EYFS, KS2 and outcomes at Exeter House demonstrate successful school improvement.
- Accessible school personnel to prospective parents, open days, newsletters etc.

Legal risk – risk that legislation requirements are not known or not complied with including GDPR.

Measures in place to mitigate this risk

- The Trust accesses the legal knowledge of a respected legal firm where a retainer is in place.
- Scrutiny of circular letters from central government and national educational associations who publish, comment and will provide support or guidance in these areas.
- Training is undertaken as appropriate on new legislation.
- Ongoing review and update of policies and procedures to ensure they remain within the law.

Recruitment risk – not being able to recruit appropriate candidates, or recruiting unsuitable employees to work with children.

Measures in place to mitigate this risk

- Recruitment and selection policy and procedures in place.
- All interview panels include at least one member with up to date safer recruitment training.
- Advice and support from the Trust's centralised HR team on all recruitment issues.
- A commitment to staff development including continuing professional development.
- All staff have enhanced DBS certification.
- Active governing body membership.

Information Technology – ensure that the technology is strong robust secure and fit for purpose.

Measures in place to mitigate this risk

- We have established a variety of appropriate policies, employ IT specific personnel who are supported by a contract with an external support company.
- Plans are in place to centralise the Trust IT provision to deliver standards and practices across the Trust that are more than ever expected in this digital age.

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Financial risk – impacts of the National Funding Formula and pressures on salary cost.

Measures in place to mitigate this risk

- A clear strategic plan and objectives, annual budget and medium term financial forecasting for all academies and the Trust.
- School financial reports – close monitoring of income and expenditure against budget, bank reconciliations and prudent reserves are in place. Leadership team and governing bodies all fully aware of current circumstances.
- Our costs, like most schools, are dominated by the cost of employment. Where appropriate we review leadership structures and our teaching and teaching assistant complement.
- We have agreed a fixed sum repayment schedule to fund our deficit in The Local Government Pension Scheme.

Fundraising

The board is responsible for ensuring that the organisation operates within a responsible, sustainable financial framework and that the organisation has adequate resources to carry out its work.

- Trustees have the responsible of ensuring the survival and continuation of the Trust. This includes responsibility for ensuring funding is available to support the activities of the organisation.
- While Trustees may delegate many of the operations of fundraising to other parts of the organisation, the board retains the responsibility for ensuring fundraising is undertaken appropriately.
- The board are committed to ensuring that fundraising activities are carried out in an ethical manner: and
- The guiding fundraising principle is a simple one – we will only use techniques that we would be happy to be used on ourselves.

In doing so, the organisation will adhere to the following standards:

- The board will have regard to the Charity Commissions publication. "Charity Fundraising"
- Fundraising activities carried out by individual academies, including their PTA will comply with all relevant laws
- Any communications to the public made in the course of carrying out a fundraising activity shall be truthful and non-deceptive
- All monies raised from fundraising activities will be for the stated purpose of the appeal and will comply with the stated mission and purpose.
- All personal information collected by the Trust is confidential and is not for sale or to be given away or disclosed to any third party without consent.
- Nobody directly or indirectly employed by or volunteering for the Trust shall accept commissions, bonuses or payment for fundraising activities on behalf of the organisation:
- No general solicitations shall be undertaken by telephone or door to door:
- Fundraising activities should not be undertaken if they may be detrimental to the good name or community standing of the Academy.
- The Trust does not work with any third party commercial participators or professional fundraisers to raise funds.
- There have been no fundraising complaints in 2018/19.
- Financial contributions will only be accepted from companies, organisations and individuals the Board considers ethical:
- All Trustees, Governors, casual, permanent and contract staff and volunteers are responsible for adhering to these procedures:
- Fundraising activities should not be undertaken if they will expose the organisation to significant financial risk: and
- Complaints will be dealt with in accordance with the Trust's complaints procedure.

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Some fundraising has been achieved through successful bid writing:

- Exeter House was successful in obtaining funding from Foyles Library fund £3,000 to purchase guided reading books and sensory stories.
- Imperial Charity provided two grants. One was for £1,158 and was spent on early year's equipment so that pupils could enjoy fully their outdoor provision in all seasons. This Charity also provided £1,738 to provide transport to and from our annual Wales residential trip for senior pupils.
- A further grant of £2,600 was received from Wiltshire Music Connect.
- Friends of Exeter House raised £1,500. It is currently being discussed what the funds should purchase.

Friends of St Mark's (PTA) raised £5,100 and Wyndham Parents and Staff Association (PTA) raised £8,000. Both associations are discussing spending plans for the year and are a greatly valued source of income.

- The Shop bought forward c.£14,000 from the previous year and generated income of £15,600. In year, expenditure of £28,800 was spent on consumables e.g. coffee/milk, defibrillator and creating the SRET Training Room, which is now an essential, professional working space used nearly every day.
- A Defibrillator was acquired through a grant from the Salisbury Area Board and matched using funds from the shop. The device is properly housed/stored on 'The Street' in its own secure unit attached to the 'Snack Shack'. The defibrillator is monitored and registered properly with the emergency services.
- St Mark's received a grant for outdoor space (plants only) to the value of £1,500, which will be spent in 19/20.

Plans for future periods

Our plans are subject to regular board reviews and a formal annual review. We have and will continue to rigorously review our performance against agreed KPIs, measures and outcomes.

We have a demonstrable track record in delivering for our pupils and have been recognised for our ability to deliver school improvements and become a centre of excellence for special needs education.

Going forward our plan is to further develop and demonstrate these capabilities and continue to share our knowledge with local schools and MATs, so they may share and benefit from what we do.

We are a relatively small Trust of three schools with less than a thousand pupils. The Trustees have determined that growth in pupil numbers either organically, by acquisition or partnering with other schools, with similar values and beliefs, provides opportunities for future efficiencies. This in turn should enable more of the Trust's funding to be spent directly on pupils. **Whilst growth should lead to more efficient methods of working, we are determined to protect our existing students from any negative impacts of such growth as well as any new students joining the MAT.**

Staff moving between schools, sharing continuous professional development are clear advantages of MATs. However, many of the benefits of being in a MAT are realised through a close geographical focus with a schools-led collaborative model, with all in the group drawing on each other's strengths and addressing weaknesses together. Accordingly, the number of schools in a trust should decreasingly be seen as a mark of success. MATs should instead focus on sustainability and ensuring they maintain financial sustainability and school improvement capacity to support their pupils.

Opportunities for organic growth are limited and whilst there appears to be opportunities to pursue growth by merger or acquisition or developing partnerships, our work has not yet delivered a positive outcome.

Funds held as custodian trustee on behalf of others

No funds are held as custodian trustee on behalf of others.

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

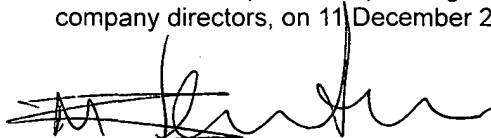
FOR THE YEAR ENDED 31 AUGUST 2019

Auditor.

In so far as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 11 December 2019 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'M Newton', written over a horizontal line.

M Newton

Chair of Trustees

SOMERSET ROAD EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Somerset Road 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 has delegated the day-to-day responsibility to the Chief Executive Officer/ Executive Principal 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 SRET and the Secretary of State for Education. They are also responsible for reporting to the board any material weaknesses or breakdowns in internal control.

SOMERSET ROAD EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Governance

Members have an overview of the governance arrangements of the Trust, they can amend the articles and may do so to support stronger governance arrangements. The role of a Member is to keep an oversight of the Trust board but not to be involved in the day to day management of the Trust.

The membership have formally met twice this year, where attendance has been as follows:

Member	Meetings attended	Out of possible
Branch Trevor (Member and Trustee)	2	2
Clifford Clare	2	2
Goldsmith Diana	2	2
Mayhew Angus (Representative of the Corporate Member)	1	1
Melville Diana	2	2

The board's purpose is to:

- Ensure the Trust complies with charity and company law, its Articles of Association, all other applicable legislation, and DfE and ESFA requirements relating to the Trust and its academies.
- Ensure proper use of public funds and compliance with the various funding agreements.
- Ensure the Trust is solvent, well run, and meets the needs of pupils and staff in its academies.
- Ensure the Trust acts in accordance with its constitution and powers, promote the success of the Trust, and exercise sound judgement and diligence in all its affairs.
- Ensure that all Trustees are skilled in understanding, interpreting, and comparing school/ academy performance data and are kept fully apprised of the performance of each academy at all times.
- Ensure that all Trustees have the skills, knowledge, and information to assess the Trust's financial performance.
- Ensure the EP/CEO and all senior staff have the skills, knowledge, and experience to run the Trust and its individual academies and to effectively manage its financial, human, and physical resources and assets.

The Board of Trustees have formally met seven times during the year including one extraordinary meeting, where attendance was as follows

Trustees	Meetings attended	Out of possible
M Newton (Chair of Trustees)	7	7
T Branch (Chair of Resources Committee)	5	7
M Sambrook (CEO/Executive Principal & Accounting Officer)	7	7
R Bexon (Resigned 31 August 2019)	7	7
A Mayhew (Resigned 31 August 2019)	7	7
M Podkolinski (Resigned 31 August 2019)	7	7
L Steer	4	7
R Cooper (Appointed 1 September 2018)	5	7
A King (Appointed 1 September 2018 and resigned 31 August 2019)	6	7
R McClatchey (Appointed 7 October 2018)	5	6
J Baylis (Appointed 18 September 2019)	0	0
O Bourne (Appointed 4 June 2019)	1	1
T Milne (Appointed 19 September 2019)	0	0
D McKay (Appointed 27 November 2019)	0	0

SOMERSET ROAD EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

In 2017 the board commissioned an external review of Trust governance. The recommendations from that review were implemented by the end of 2018. Subsequently the board have introduced both an annual skills audit and a board effectiveness review. In 2020/21 we expect to commission a further external review of Trust governance.

The main changes for this year include:

- A newly constituted, appropriately informed diverse board is now in place. The resignation of four Trustees, during the 2018/19 academic year, three of which were planned, has provided the opportunity to improve diversity.
- A new scheme of delegation has made even clearer the roles, responsibilities and authorities delegated across the Trust.
- New terms of reference for various board sub committees have been established.
- The annual skills audits has enabled an appropriate review of the various skills sets available and the ones we must continue to seek. We are actively seeking a Trustee that can further strengthen our Audit committee.
- The annual board effectiveness review continues to inform the Trust board and action plans are in place to improve effectiveness from the existing satisfactory level,
- The annual report on the performance of the Chair, produced by the Deputy Chair after consultation with Trustees, is an important contribution to continuous improvements in our governance.
- A new three year plan, including school's improvement, educational outcomes, forecasts and budgets has been agreed. Progress and performance against our plan is rigorously reviewed and assessed.

The Resources Committee is a sub-committee of the main board of Trustees which has met four times this year. Its purpose is to:

- Support the board in monitoring and reporting the use of resources including finance
- To deliver the requirements placed on the Trust by the government as detailed in The Financial Handbook written by the ESFA.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
T Branch (Chair of Resources Committee)	4	4
M Sambrook (CEO/Executive Principal & Accounting Officer)	3	4
A Mayhew (Resigned 31 August 2019)	4	4
L Steer	3	4
R McClatchey (Appointed 7 October 2018)	2	4

SOMERSET ROAD EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Standards Committee

This is a board sub-committee which has met four times this year. Its purpose is to:

- Ensure that the standards and pupil outcomes across the Trust continue to improve.
- Ensure a strategy is in place for continued improvement of standards at all academies, with a view to each academy achieving and sustaining outstanding performance.

The committee will focus on improving standards and pupil outcomes in three main areas:

- Performance in national tests for specific key stages and other nationally published data (for example SATs, Phonics, EYFS data etc.)
- Performance against pre-determined KPI's are monitored regularly for each academy. This includes the quality of teaching and learning and how this is leading to improved outcomes and the achievement of specific milestones for reading, writing and maths.
- Performance of vulnerable groups, specifically pupils eligible for pupil premium funding and those with special educational needs

Attendance in the meetings during the year was as follows:

Trustee	Meetings attended	Out of possible
Z Bailey	3	4
J Bavis	4	4
G Flemington	4	4
K Johnson	2	4
M Newton	4	4
S Perkins	2	4
M Podkolinski	4	4
M Sambrook (Chair)	4	4
SRET Exec Clerk - R Jackson	4	4

Audit Committee

This is SRET Committee. Its purpose is to support the Board:

- To fulfil its corporate governance and oversight responsibilities in relation to financial reporting, internal control system, risk management system and internal and external audit functions.
- To fulfil its legal, social and corporate responsibilities in the provision of schooling in a safe environment.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
T Branch (Chair of Resources Committee)	3	3
M Sambrook (CEO/Executive Principal & Accounting Officer)	3	3
A Mayhew (Resigned 31 August 2019)	2	3
R Cooper (Appointed 1 September 2018)	1	3
R McClatchey (Appointed 7 October 2018)	3	3

SOMERSET ROAD EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Local Governing Committees (LGCs)

Each academy within the Trust has an LGC which formally meets six times a year. These are sub-committees of the Trust board. Their remit is as follows:

- Reporting to the board, they work together in providing a focused governance for academies at a local level, ensuring the delivery of the boards wish to ensure that the responsibility to govern the academies is vested in those closest to the impact of decision-making.
- The LGCs monitors the academies' key performance indicators and acts as a critical friend to the Headteacher and the senior leadership teams.
- The LGCs carry out their functions in relation to their respective academy on behalf of the board and in accordance with policies determined by the board. The act of delegation from the board to the LGCs, is a delegation of powers and duties and not a shedding of responsibilities.

Review of value for money

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

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

- Driving Trust wide benefits and improvements in educational outcomes
- Commencing the centralisation of services provided across the trust
- Delivering a strategic plan for the Trust that creates a self-sustaining school system that ensures financial sustainability

The Trust strategy plans for the achievement of the best possible education and wider community outcomes through the economic, efficient and effective use of all Trust resources.

Our plans include the centralisation of Trust processes, seeking to build it once at the center, to help deliver future sustainability and support the growth of the Trust. Centralisation will help facilitate growth of significant relationships within the schools, bringing more and more opportunities for our staff, students and the wider community. Whilst it is recognised that financial savings may be minimal the Trust will become more effective and efficiency will improve.

- In September 2018 the Trust centralised the HR Function
- In plan remains the centralisation of the business/administration function and the core elements within that function, including finance and IT. Unfortunately, several contract issues have slowed our planned progress however, whilst these projects are delayed, they remain in plan, as this will enable the Trust to further develop strong systems to ensure appropriate compliance.
- Where appropriate major supplier contracts continue to be negotiated for the four sites and the same contractors used where feasible.
- Further areas for centralisation of services will continue to be reviewed and assessed.

The Trust has developed its approach to create income through outreach and training programs. The Trust has started to generate limited financial benefit from these programs this year. However, the profile of the Trust has been raised, we have demonstrated we are an outwardly facing Trust, happy to share our expertise and help improve outcomes at other schools.

SOMERSET ROAD EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 our vision, goals 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 the Trust vision, goals 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 at SRET for the period from 1st September 2018 to 31st August 2019. They have continued in place, up to the date of that this annual report and financial statements were approved.

Capacity to handle risk

The SRET Board 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 these risks.

The SRET Board is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1st September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the SRET Board.

SOMERSET ROAD EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The risk and control framework

The Trusts 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 3-year plan, budgets and monitoring systems.
- Monthly financial reports reviewed and agreed by the board.
- Regular reviews by the Resource Committee including reports on financial performance against plan, major planned purchases, capital and expense expenditure.
- Setting targets and measuring performance against plan.
- Regular review of internal controls summarised in the Trusts Financial Handbook
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks

The board keeps the need for a specific internal audit function under review. During the year we appointed the Local Authority, Wiltshire Council as internal auditor; but where appropriate we contract with other trusted third party organisations.

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

- Testing of payroll & personnel systems
- Testing of purchase & payment systems
- Testing of External Audit Findings (Management Letter)

The Head of Wiltshire Internal Audit reports to the board via audit committee. The internal auditor has delivered their schedule of work as planned. Work had been completed and will continue regarding the centralisation of IT across the Trust. It is anticipated that this will remove aspects of external support and bring them in house to mitigate risk and increase effectiveness and efficiency in this area during 19/20. The Trust Risk Register is a key document for the Trust.

No high-level risks were identified by the internal auditors.

Review of effectiveness

As Accounting Officer, the Chief Executive/ Executive Principal 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 work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework

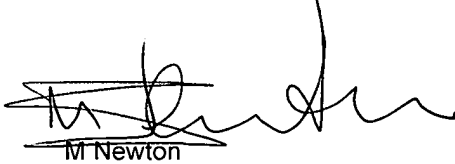
SOMERSET ROAD EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

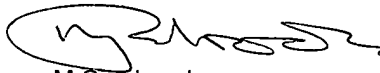
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place. In 19/20 the Trust will seek to look to other avenues to provide internal audit to ensure that the Trust benefits from the most rigorous approach.

Approved by order of the board of Trustees on 11 December 2019 and signed on its behalf by:



M Newton

Chair of Trustees



M Sambrook

CEO/Executive Principal & Accounting Officer

SOMERSET ROAD EDUCATION TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2019

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

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

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



M Sambrook
Accounting Officer

11 December 2019

SOMERSET ROAD EDUCATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

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

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

In preparing these accounts, the Trustees are required to:

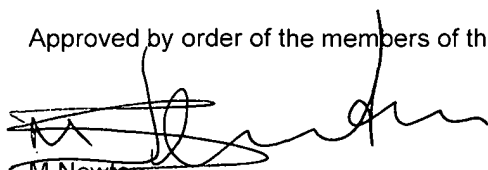
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees on 11 December 2019 and signed on its behalf by:



M Newton
Chair of Trustees

SOMERSET ROAD EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOMERSET ROAD EDUCATION TRUST

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the accounts of Somerset Road Education Trust for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Other information includes the trustees' report (incorporating the strategic report and directors' report) the governance statement and the statement of regularity, propriety and compliance. 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.

SOMERSET ROAD EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOMERSET ROAD EDUCATION TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the incorporated strategic report and directors' report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' report including the incorporated strategic report and directors' 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 multi-academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report and 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

In preparing the accounts, the Trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy trust, 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.

SOMERSET ROAD EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOMERSET ROAD EDUCATION TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Use of our report

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust'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 academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



Esme Shakeshaft (Senior Statutory Auditor)
for and on behalf of Moore (South) LLP

Chartered Accountants
Statutory Auditor



33 The Clarendon Centre
Salisbury Business Park
Dairy Meadow Lane
Salisbury
Wiltshire
SP1 2TJ

SOMERSET ROAD EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 7 November 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Somerset Road Education Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Somerset Road 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 Somerset Road 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 Somerset Road Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Somerset Road Education Trust's funding agreement with the Secretary of State for Education dated 19th December 2014 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- consideration of the evidence supporting the accounting officer's statement on regularity, propriety and compliance;
- analytical procedures on the general activities of the academy trust;
- a review of minutes of committees and board meetings which may be relevant to regularity;
- consideration of discussions with key personnel including the accounting officer and governing body;
- tests of control have been carried out on a control activity which are relevant to regularity;
- substantive testing of individual transactions.

SOMERSET ROAD EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Moore South LLP

Reporting Accountant
Moore (South) LLP
33 The Clarendon Centre
Salisbury Business Park
Dairy Meadow Lane
Salisbury
Wiltshire
SP1 2TJ

Dated: *29 Dec 2019*

SOMERSET ROAD EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General £ Fixed asset £	Total 2019 £	Total 2018 £
Income and endowments from:					
Donations and capital grants	3	23,281	-	359,859	383,140
Charitable activities:					
- Funding for educational operations	4	-	5,453,633	-	5,453,633
Other trading activities	5	196,724	70,865	-	267,589
Investments	6	405	-	-	405
Total		220,410	5,524,498	359,859	6,104,767
Expenditure on:					
Charitable activities:					
- Grants	9	-	28,125	-	28,125
- Educational operations	10	223,635	5,761,329	341,685	6,326,649
Total	7	223,635	5,789,454	341,685	6,354,774
Net income/(expenditure)		(3,225)	(264,956)	18,174	(250,007)
Transfers between funds	18	-	23,317	(23,317)	-
Other recognised gains/(losses)					
Actuarial (losses)/gains on defined benefit pension schemes	20	-	(863,000)	-	(863,000)
Net movement in funds		(3,225)	(1,104,639)	(5,143)	(1,113,007)
Reconciliation of funds					
Total funds brought forward		284,678	(726,133)	14,929,557	14,488,102
Total funds carried forward		281,453	(1,830,772)	14,924,414	13,375,095

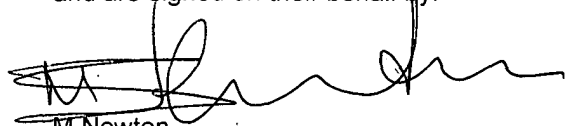
SOMERSET ROAD EDUCATION TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	14		14,855,587		14,887,732
Current assets					
Debtors	15	384,611		163,378	
Cash at bank and in hand		650,850		708,393	
		1,035,461		871,771	
Current liabilities					
Creditors: amounts falling due within one year	16	(510,953)		(368,401)	
Net current assets			524,508		503,370
Net assets excluding pension liability			15,380,095		15,391,102
Defined benefit pension scheme liability	20		(2,005,000)		(903,000)
Total net assets			13,375,095		14,488,102
Funds of the multi-academy trust:					
Restricted funds	18				
- Fixed asset funds			14,924,414		14,929,557
- Restricted income funds			174,228		176,867
- Pension reserve			(2,005,000)		(903,000)
Total restricted funds			13,093,642		14,203,424
Unrestricted income funds	18		281,453		284,678
Total funds			13,375,095		14,488,102

The accounts on pages 40 to 64 were approved by the Trustees and authorised for issue on 11 December 2019 and are signed on their behalf by:


M Newton
Chair of Trustees

Company Number 09343767

SOMERSET ROAD EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £	Restricted funds: General	Fixed asset £	Total 2018 £
Income and endowments from:					
Donations and capital grants	3	58,652	-	64,765	123,417
Charitable activities:					
- Funding for educational operations	4	-	5,312,668	-	5,312,668
Other trading activities	5	197,562	70,652	-	268,214
Investments	6	480	-	-	480
Total		<u>256,694</u>	<u>5,383,320</u>	<u>64,765</u>	<u>5,704,779</u>
Expenditure on:					
Charitable activities:					
- Grants	9	-	38,828	-	38,828
- Educational operations	10	260,995	5,700,396	348,402	6,309,793
Total	7	<u>260,995</u>	<u>5,739,224</u>	<u>348,402</u>	<u>6,348,621</u>
Net expenditure		(4,301)	(355,904)	(283,637)	(643,842)
Transfers between funds	18	-	50,824	(50,824)	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	20	-	622,000	-	622,000
Net movement in funds		(4,301)	316,920	(334,461)	(21,842)
Reconciliation of funds					
Total funds brought forward		288,979	(1,043,053)	15,264,018	14,509,944
Total funds carried forward		<u>284,678</u>	<u>(726,133)</u>	<u>14,929,557</u>	<u>14,488,102</u>

SOMERSET ROAD EDUCATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Net cash used in operating activities	21		(108,267)		(125,785)
Cash flows from investing activities					
Dividends, interest and rents from investments		405		480	
Capital grants from DfE Group		359,859		64,765	
Purchase of tangible fixed assets		(309,540)		(52,700)	
Net cash provided by investing activities			50,724		12,545
Cash flows from financing activities					
Repayment of long term bank loan		-		(32,080)	
Net cash used in financing activities			-		(32,080)
Net decrease in cash and cash equivalents in the reporting period			(57,543)		(145,320)
Cash and cash equivalents at beginning of the year			708,393		853,713
Cash and cash equivalents at end of the year			650,850		708,393

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Somerset Road Education Trust is a charitable company limited by guarantee incorporated in England and Wales. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' 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 multi-academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The accounts are prepared in sterling which is the functional currency and rounded to the nearest £1.

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

1.2 Going concern

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

1.3 Income

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

Grants

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

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

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

SOMERSET ROAD EDUCATION TRUST

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

1 Accounting policies

(Continued)

Sponsorship income

Sponsorship income provided to the multi-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 multi-academy trust has provided the goods or services.

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the multi-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 multi-academy trust's educational operations, including support costs and costs relating to the governance of the multi-academy trust apportioned to charitable activities.

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Land and buildings	50 years (Buildings only)
Property improvements	20 years
Computer equipment	3 years
Fixtures, fittings & equipment	5 years
Motor vehicles	4 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.

1.6 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 multi-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.

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

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

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

SOMERSET ROAD EDUCATION TRUST

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

1 Accounting policies

(Continued)

Financial liabilities

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

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

1.9 Taxation

The multi-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 multi-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.

1.10 Pensions benefits

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

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

1.11 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 multi-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 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

On conversion to an academy trust, the asset and liabilities of the Trust are measured at fair value. This includes any buildings. The valuation of buildings involves a significant degree of estimation refer to Note 14 for further detail to this estimation.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	359,859	359,859	64,765
Other donations	23,281	-	23,281	58,652
	<u>23,281</u>	<u>359,859</u>	<u>383,140</u>	<u>123,417</u>

SOMERSET ROAD EDUCATION TRUST

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

4 Funding for the multi-academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
General annual grant (GAG)	-	3,400,162	3,400,162	3,398,437
Other DfE group grants	-	320,544	320,544	278,843
	-	3,720,706	3,720,706	3,677,280
Other government grants				
Local authority grants	-	1,720,733	1,720,733	1,623,771
Other Government Grants	-	12,194	12,194	11,617
	-	1,732,927	1,732,927	1,635,388
Total funding	-	5,453,633	5,453,633	5,312,668

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Hire of facilities	9,451	-	9,451	10,027
Catering income	70,576	-	70,576	61,619
School Shop	15,639	-	15,639	22,757
Parental contributions and clubs	76,305	-	76,305	94,318
Supply insurance income	-	44,051	44,051	50,261
Other income	24,753	26,814	51,567	29,232
	196,724	70,865	267,589	268,214

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Other investment income	405	-	405	480

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
	£	Premises	Other	2019	2018
	£	£	£	£	£
Academy's educational operations					
- Direct costs	4,120,492	341,685	352,498	4,814,675	4,781,835
- Allocated support costs	853,791	312,659	345,524	1,511,974	1,527,958
Grants - support costs	-	28,125	-	28,125	38,828
	<u>4,974,283</u>	<u>682,469</u>	<u>698,022</u>	<u>6,354,774</u>	<u>6,348,621</u>

Net income/(expenditure) for the year includes:

	2019	2018
	£	£
Fees payable to auditor for:		
- Audit	11,750	9,000
- Other services	4,875	3,000
Operating lease rentals	4,201	4,201
Depreciation of tangible fixed assets	341,685	348,402
Net interest on defined benefit pension liability	28,000	34,000
	<u>390,511</u>	<u>398,603</u>

8 Central services

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

- human resources and recruitment;
- financial services and internal audit;
- legal services;
- clerk

The multi-academy trust charges for these services on the following basis for this financial year:

- 2.25% GAG income, plus an allocation of HR costs (2018: flat rate per school).

The amounts charged during the year were as follows:

	2019	2018
	£	£
Exeter House Special School	46,088	29,265
St Marks CE Junior School	33,642	28,885
Wyndham Park Infants School	26,841	24,415
Somerset Road Academy Trust	-	-
	<u>106,571</u>	<u>82,565</u>

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Analysis of grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Improvements to diocesan property occupied by the multi-academy trust	-	28,125	28,125	38,828

Improvements to Diocesan property costs relate to the completion of the CIF project work at St Marks Junior School.

10 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Direct costs				
Educational operations	78,734	4,735,941	4,814,675	4,781,835
Support costs				
Educational operations	144,901	1,395,198	1,540,099	1,566,786
	223,635	6,131,139	6,354,774	6,348,621

Analysis of costs

	2019 £	2018 £
Direct costs		
Teaching and educational support staff costs	4,120,492	4,025,337
Staff development	34,929	53,664
Depreciation	341,685	348,402
Technology costs	58,987	53,155
Educational supplies and services	140,726	178,289
Examination fees	2,001	945
Educational consultancy	38,109	38,529
Other direct costs	77,746	83,514
	4,814,675	4,781,835
Support costs		
Support staff costs	853,791	851,094
Technology costs	49,511	37,573
Recruitment and support	65,804	43,421
Maintenance of premises and equipment	166,692	192,842
Cleaning	27,638	26,770
Energy costs	97,025	104,147
Rent, rates and other occupancy costs	34,469	32,953
Insurance	14,960	14,860
Security and transport	10,395	16,245
Catering	144,901	138,699
Finance costs	28,000	34,000
Other support costs	19,820	39,678
Governance costs	27,093	34,504

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Charitable activities

(Continued)

	<u>1,540,099</u>	<u>1,566,786</u>

Premises costs include an asset donation to the Salisbury Diocesan Board of Education of £28,125 (2018: £38,828) in relation to alterations to completion of the kitchen refurbishment, works to the roof and hot water system works.

11 Staff

Staff costs

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	3,678,095	3,605,973
Social security costs	302,959	290,064
Pension costs	940,723	925,102
Amounts paid to employees	4,921,777	4,821,139
Agency staff costs	52,506	55,292
Amounts paid to staff	4,974,283	4,876,431
Staff development and other staff costs	34,929	53,664
Total staff expenditure	<u>5,009,212</u>	<u>4,930,095</u>

Staff numbers

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

	2019 Number	2018 Number
Teachers	48	52
Administration and support	134	132
Management	11	10
	<u>193</u>	<u>194</u>

SOMERSET ROAD EDUCATION TRUST

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

11 Staff

(Continued)

Higher paid staff

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

	2019 Number	2018 Number
£60,001-£70,000	2	-
£70,001-£80,000	-	2
£80,001-£90,000	1	-
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the multi-academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance contributions) received by key management personnel for their services to the multi-academy trust was £333,363 (2018: £337,794).

12 Trustees' remuneration and expenses

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

The value of Trustees' remuneration, whilst in post as trustee, and other benefits was as follows:

M Sambrook (Head teacher, Executive Principal and Trustee)
Remuneration £80,001 - £85,000 (2018: £70,001 - £75,000)
Employers Pension £10,000-£15,000 (2018: £10,000 - £15,000)

G Flemington (Head teacher and Trustee to 23 May 2018)
Remuneration (2018: £50,000 - £55,000)
Employers Pension (2018: £5,000 - £10,000)

Z Bailey (Head teacher and Trustee to 23 May 2018)
Remuneration (2018: £40,000- £45,000)
Employers Pension (2018: £5,000 - £10,000)

During the period ended 31 August 2019, no expenses were reimbursed to trustees (2018: travel and subsistence expenses totalling £54.13 were reimbursed to one trustee).

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

13 Trustees and officers insurance

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

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

14 Tangible fixed assets

	Land and buildings	Property improvements	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2018	15,661,028	51,203	89,659	202,881	83,000	16,087,771
Additions	-	270,096	3,899	35,545	-	309,540
At 31 August 2019	15,661,028	321,299	93,558	238,426	83,000	16,397,311
Depreciation						
At 1 September 2018	1,001,368	10,240	56,087	56,261	76,083	1,200,039
Charge for the year	276,381	8,411	18,280	31,696	6,917	341,685
At 31 August 2019	1,277,749	18,651	74,367	87,957	83,000	1,541,724
Net book value						
At 31 August 2019	14,383,279	302,648	19,191	150,469	-	14,855,587
At 31 August 2018	14,659,660	40,963	33,572	146,620	6,917	14,887,732

The land and buildings were valued on the depreciated replacement cost method in an exercise undertaken by the Education Funding agency as at the 31 March 2015.

Each school's land and builds has been valued as follows:

	Land	Buildings
Exeter House Special School	£1,180,000	£11,139,000
Wyndham Park Infants School	£662,000	£2,342,000

The trust committed to a property leasehold agreement with Wiltshire Council in September 2016, the lease is for 125 years on a peppercorn rent basis from 1st January 2015. The value of the property has been introduced into the accounts as a gift for the value of £300,000, which has been agreed by the directors as a reasonable value based on guide prices for the property.

The land and buildings for Exeter House Special School and Wyndham Park School are leased to the Academy Trust by Wiltshire Council under a 125 year lease.

The St Mark's CE Junior School land and buildings are not included within fixed assets following clarification by the ESFA on Church owned land and buildings operated by the trust on a Church Supplementary Agreement. A notional rent value has not been included as it is not possible to obtain a reasonable estimate at this point.

SOMERSET ROAD EDUCATION TRUST

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

15 Debtors	2019	2018
	£	£
VAT recoverable	54,789	47,941
Other debtors	292,904	75,019
Prepayments	36,918	40,418
	<u>384,611</u>	<u>163,378</u>
	<u><u>384,611</u></u>	<u><u>163,378</u></u>
16 Creditors: amounts falling due within one year	2019	2018
	£	£
Trade creditors	287	961
Other creditors	311,847	175,121
Accruals and deferred income	198,819	192,319
	<u>510,953</u>	<u>368,401</u>
	<u><u>510,953</u></u>	<u><u>368,401</u></u>
17 Deferred income	2019	2018
	£	£
Deferred income is included within:		
Creditors due within one year	198,819	192,319
	<u>198,819</u>	<u>192,319</u>
	<u><u>198,819</u></u>	<u><u>192,319</u></u>
Deferred income at 1 September 2018	192,319	83,864
Released from previous years	(192,319)	(83,864)
Resources deferred in the year	198,819	192,319
	<u>198,819</u>	<u>192,319</u>
Deferred income at 31 August 2019	198,819	192,319
	<u><u>198,819</u></u>	<u><u>192,319</u></u>

The deferred income relates to income received in the period to 31 August 2019 which relates to the year ending 31 August 2020. The above deferred income relates to the following:

Rates Grant	£5,203
UFSM	£64,655
SEN Top Up 19/20	£123,828
Equipment Budget 19/20	<u>£5,133</u>
Total	<u>£198,819</u>

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	163,629	3,400,162	(3,436,792)	23,317	150,316
Other DfE / ESFA grants	12,738	320,544	(310,010)	-	23,272
Other government grants	-	1,732,927	(1,732,287)	-	640
Other restricted funds	500	70,865	(71,365)	-	-
Pension reserve	(903,000)	-	(239,000)	(863,000)	(2,005,000)
	<u>(726,133)</u>	<u>5,524,498</u>	<u>(5,789,454)</u>	<u>(839,683)</u>	<u>(1,830,772)</u>
Restricted fixed asset funds					
DfE group capital grants	14,929,557	359,859	(341,685)	(23,317)	14,924,414
	<u>14,203,424</u>	<u>5,884,357</u>	<u>(6,131,139)</u>	<u>(863,000)</u>	<u>13,093,642</u>
Total restricted funds					
	<u>14,203,424</u>	<u>5,884,357</u>	<u>(6,131,139)</u>	<u>(863,000)</u>	<u>13,093,642</u>
Unrestricted funds					
General funds	284,678	220,410	(223,635)	-	281,453
	<u>14,488,102</u>	<u>6,104,767</u>	<u>(6,354,774)</u>	<u>(863,000)</u>	<u>13,375,095</u>
Total funds					
	<u>14,488,102</u>	<u>6,104,767</u>	<u>(6,354,774)</u>	<u>(863,000)</u>	<u>13,375,095</u>

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

The fixed asset fund was created based on the EFA valuation of the school's land and buildings which were transferred on conversion from the governing body. The cost is reflected in order to ensure there is adequate substance over form for accounting purposes. Additional assets are added to the fund, as they are required, and they will be written down by depreciation each year.

The restricted general funds are made up of the General Annual Grant received, to be spent on education within the Academy, and other related DfE or other authority grants.

Unrestricted funds are general donations and fund raising activities of the Academy and are used to support the provision of education with the Academy.

Under the funding agreement with the Secretary of State, the multi-academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

SOMERSET ROAD EDUCATION TRUST

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

18 Funds

(Continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	205,389	3,398,437	(3,491,021)	50,824	163,629
Other DfE / ESFA grants	18,558	278,843	(284,663)	-	12,738
Other government grants	-	1,635,388	(1,635,388)	-	-
Other restricted funds	-	70,652	(70,152)	-	500
Pension reserve	(1,267,000)	-	(258,000)	622,000	(903,000)
	<u>(1,043,053)</u>	<u>5,383,320</u>	<u>(5,739,224)</u>	<u>672,824</u>	<u>(726,133)</u>
Restricted fixed asset funds					
DfE group capital grants	15,264,018	64,765	(348,402)	(50,824)	14,929,557
	<u>15,264,018</u>	<u>64,765</u>	<u>(348,402)</u>	<u>(50,824)</u>	<u>14,929,557</u>
Total restricted funds	<u>14,220,965</u>	<u>5,448,085</u>	<u>(6,087,626)</u>	<u>622,000</u>	<u>14,203,424</u>
Unrestricted funds					
General funds	288,979	256,694	(260,995)	-	284,678
	<u>288,979</u>	<u>256,694</u>	<u>(260,995)</u>	<u>-</u>	<u>284,678</u>
Total funds	<u>14,509,944</u>	<u>5,704,779</u>	<u>(6,348,621)</u>	<u>622,000</u>	<u>14,488,102</u>

Total funds analysis by academy

	2019 £	2018 £
Fund balances at 31 August 2019 were allocated as follows:		
Exeter House Special School	169,568	186,864
St Marks CE Junior School	167,415	180,815
Wyndham Park Infants School	119,124	88,391
Somerset Road Academy Trust	(426)	5,475
Total before fixed assets fund and pension reserve	<u>455,681</u>	<u>461,545</u>
Restricted fixed asset fund	14,924,414	14,929,557
Pension reserve	(2,005,000)	(903,000)
Total funds	<u>13,375,095</u>	<u>14,488,102</u>

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 2019	Total 2018
	£	£	£	£	£	£
Exeter House Special School	2,315,105	261,011	143,186	288,747	3,008,049	2,936,945
St Marks CE Junior School	1,020,344	150,811	159,231	215,774	1,546,160	1,501,281
Wyndham Park Infants School	781,509	143,623	48,809	133,393	1,107,334	1,212,277
Somerset Road Academy Trust	3,534	87,346	1,272	20,394	112,546	91,716
	<u>4,120,492</u>	<u>642,791</u>	<u>352,498</u>	<u>658,308</u>	<u>5,774,089</u>	<u>5,742,219</u>

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	14,855,587	14,855,587
Current assets	281,453	685,181	68,827	1,035,461
Creditors falling due within one year	-	(510,953)	-	(510,953)
Defined benefit pension liability	-	(2,005,000)	-	(2,005,000)
Total net assets	<u>281,453</u>	<u>(1,830,772)</u>	<u>14,924,414</u>	<u>13,375,095</u>

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	14,887,732	14,887,732
Current assets	284,678	545,268	41,825	871,771
Creditors falling due within one year	-	(368,401)	-	(368,401)
Defined benefit pension liability	-	(903,000)	-	(903,000)
Total net assets	<u>284,678</u>	<u>(726,133)</u>	<u>14,929,557</u>	<u>14,488,102</u>

SOMERSET ROAD EDUCATION TRUST

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

20 Pension and similar obligations

The multi-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 Wiltshire Council. Both are multi-employer defined benefit schemes.

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- an increase in employer rates from 16.48% to 23.68% of pensionable pay (including a 0.08% employer administration charge)
- the rise in contribution delayed from 1 April to September 2019
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,000 million giving a notional past service deficit of £22,100 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- there will be funding from the DFE for the financial year 2019/20 to help maintained schools and academies meet the additional costs resulting from the scheme valuation. Funding for 2020/21 onwards will be discussed as part of the next Spending Review round.

The TPS valuation for 2016 determined an employer rate of 23.6%, which is payable from September 2019. The next valuation of the TPS will be at March 2020 and will be based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £333,621 (2018: £330,267)

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

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 an unfunded multi-employer pension scheme. The multi-academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The multi-academy 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 set out below for employers and is 5.5% to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £395,000.

The level of employer contributions for future years to assist in reducing the pension deficit are as follows:

Period (1 April - 31 March)	Employer Primary Contribution Rate	Employer Secondary Contribution Rate	Total Contribution rate payable % of payroll
2018/2019	22.5%	2.9%	25.4%
2019/2020	22.5%	2.7%	25.2%

The 2016 tri-annual valuation contribution rates (above) target to pay for both benefits accruing and return the employer to a fully funded position over a period of 14 years.

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

Total contributions made	2019 £	2018 £
Employer's contributions	397,000	368,000
Employees' contributions	89,000	82,000
Total contributions	486,000	450,000

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	2.6	2.7
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8

SOMERSET ROAD EDUCATION TRUST

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

20 Pension and similar obligations

(Continued)

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

	2019 Years	2018 Years
Retiring today		
- Males	21.4	22.5
- Females	23.7	24.9
Retiring in 20 years		
- Males	22.3	24.1
- Females	25.1	26.7

Sensitivity Analysis

Change in assumptions at 31 August 2019:

	Approximate % increase in employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	13%	899
0.5% increase in the Salary Increase Rate	1%	94
0.5% increase in the Pension Increase Rate	11%	790

Defined benefit pension scheme net liability

Scheme assets	4,880,000	4,209,000
Scheme obligations	(6,885,000)	(5,112,000)
Net liability	(2,005,000)	(903,000)

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

	2019 Fair value £	2018 Fair value £
Equities	3,464,800	2,988,390
Bonds	683,200	589,260
Cash	97,600	84,180
Property	634,400	547,170
Total market value of assets	4,880,000	4,209,000

The actual return on scheme assets was £299,000 (2018: £333,000).

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2019 £	2018 £
Current service cost	185,000	224,000
Past service cost	26,000	-
Interest income	(123,000)	(92,000)
Interest cost	151,000	126,000
Total operating charge	239,000	258,000

Changes in the present value of defined benefit obligations

2019
£

At 1 September 2018	5,112,000
Current service cost	582,000
Interest cost	151,000
Employee contributions	89,000
Actuarial loss/(gain)	1,039,000
Benefits paid	(114,000)
Past service cost	26,000
At 31 August 2019	6,885,000

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

2019
£

At 1 September 2018	4,209,000
Interest income	123,000
Actuarial gain	176,000
Employer contributions	397,000
Employee contributions	89,000
Benefits paid	(114,000)
At 31 August 2019	4,880,000

SOMERSET ROAD EDUCATION TRUST

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

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

	2019 £	2018 £
Net expenditure for the reporting period (as per the statement of financial activities)	(250,007)	(643,842)
Adjusted for:		
Capital grants from DfE and other capital income	(359,859)	(64,765)
Investment income receivable	(405)	(480)
Defined benefit pension costs less contributions payable	211,000	224,000
Defined benefit pension scheme finance cost	28,000	34,000
Depreciation of tangible fixed assets	341,685	348,402
(Increase) in debtors	(221,233)	(1,079)
Increase/(decrease) in creditors	142,552	(22,021)
Net cash used in operating activities	(108,267)	(125,785)

22 Contingent liabilities

Due to an injury parents have pursued a claim, which the RPA are dealing with.

23 Commitments under operating leases

At 31 August 2019 the total of the multi-academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	3,130	4,201
Amounts due in two and five years	-	3,130
	<u>3,130</u>	<u>7,331</u>

24 Capital commitments

	2019 £	2018 £
Expenditure contracted for but not provided in the accounts	<u>34,913</u>	<u>30,610</u>

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

25 Related party transactions

Owing to the nature of the multi-academy trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the multi-academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

In entering into these transactions, the multi-academy trust has complied with the requirements of the Academies Financial Handbook 2018.

Expenditure related party transactions

S Flemington the spouse of G Flemington, Head Teacher of St Marks CE Junior School and Wyndham Park Infants School, is also employed by the trust. Her salary for the year was £43,719 (2018: £42,071) plus employers pension of £7,187 (2018: £6,933)

The site manager C Nelhams is connected to the following parties who carried out maintenance work at the trust:

	Paid in the year	Outstanding at 31 August 2019	Relationship
P Delaney	£16,055	£440	Close friend
R Astley	£1,102	£2,050	Son-in-law

There were amounts outstanding at 31 August 2018 P Delaney £4,673, R Astley £Nil and D Crane £Nil.

SALED Ltd provide services to the trust. This company is controlled by the Salisbury Diocese Board of Education and provided services related to the training of staff, trustees and governors, SIAMS inspections and annual partnership service agreement subscriptions. The Salisbury Diocese Board of Education is a related party of the Trust due to its power to appoint a corporate member and approve the appointment of Foundation Trustees. The total services invoiced in the period was £864.

26 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he 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 as stated in memorandum and articles of association for the debts and liabilities contracted before he or she ceases to be a member.