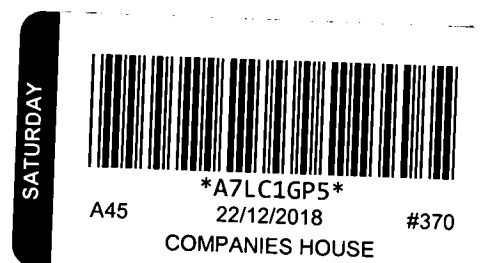


Suffolk Academies Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2018



Company Registration Number:
9702333 (England and Wales)

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Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)**Reference and Administrative Details**

Members	R Carter	(Chair)
	S Clarke	(Resigned 31 August 2018)
	S Daley	(Resigned 31 August 2018)
	K Golding	
	N Wingfield-Digby	
Trustees	E D'Souza	
	C Gibson	(Resigned 30 April 2018)
	C Higgins	
	H Lay	(Resigned 26 January 2018)
	N Savvas	(Chief Executive Officer)
	A Whittaker	(Principal – resigned from Trust Board 31 August 2018)
	C Ridgeon	
	J Wakelam	
	S Howard	
	R Inman	
	J Gazzard	(Appointed 1 September 2018)
	K Points	(Appointed 1 September 2018)
	S Daley	(Appointed 1 September 2018)
	S Clarke	(Appointed 1 September 2018)
	A Maltpress	(Appointed 1 September 2018)
	T Hunt	(Appointed 1 September 2018)
	D Wildridge	(Appointed 1 September 2018)
	S Healey Pearce	(Appointed 1 September 2018)
Trust Secretary	J Bridges	
Senior Management Team		
• Principal	A Whittaker	
• Deputy Principal	J Milsom	
• Assistant Principal	M Hughes	
• Chief Financial Officer	S Jones	
Company Name	Suffolk Academies Trust	
Principal and Registered Office	West Suffolk College Out Risbygate Bury St Edmunds Suffolk IP33 3RL	
Company Registration Number	9702333 (England and Wales)	
Independent Auditor	Larking Gowen LLP Kings Street House 15 Upper King Street Norwich NR3 1RB	
Bankers	Lloyds Bank plc 25 Gresham Street London EC2V 7HN	
Solicitors	Stone King LLP Boundary House 19 Charterhouse Street London EC1M 6HR	

Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)**Trustees' Report**

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period ended 31 August 2018. The charitable company was incorporated on 24 July 2015 and opened as an Academy Trust on 1 September 2015. During the period, the accounting reference date was lengthened so as to end on 31 August. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Suffolk Academies Trust (the Trust) is a multi-academy trust for the purposes of its funding agreement but currently only has one academy within it. One Sixth Form College is the Trust's only academy and it is a post 16 academy located in Ipswich. Its catchment area is predominantly Ipswich and the rural areas to the South and West of Ipswich but does attract students from most areas of the County. One Sixth Form College has student numbers of approximately 1850 but has comfortable capacity for 2,000. Prior to academisation, it was known as Suffolk One and was a foundation school that opened in 2010. The Trust is preparing for the addition of the Abbeygate Sixth Form College in Bury St Edmunds to the Trust in September 2019. This will be a newly built free school which will grow in numbers over a five-year period and its estimated capacity will be 1,700 students.

Structure, Governance and Management**Constitution**

The Suffolk Academies Trust is a company limited by guarantee and an exempt charity. The charitable company's Articles of Association are the primary governing documents of the Trust. The objects of the Trust within the Articles are to advance education for the public benefit and to promote the provision of facilities for recreation for those who have need of such facilities for the benefit of the inhabitants of the area in which the Academy is situated with the intention of improving the condition of life of those inhabitants.

The Trustees of Suffolk Academies Trust are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Suffolk Academies Trust and its only academy is known locally as One Sixth Form College.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 3.

Members' Liability

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

Method of Recruitment and Appointment or Election of Trustees

The recruitment and appointment of Trustees is the responsibility of the Members of Suffolk Academies Trust. The members are as follows:

Richard Carter, Chair
Ken Golding
Steve Clarke (Resigned 31 August 2018)
Sue Daley (Resigned 31 August 2018)
Nicholas Wingfield-Digby

The members may appoint up to 9 Trustees and additional Trustees can be appointed by West Suffolk College through such process as it may determine. The total number of Trustees including the Chief Executive Officer and the Principal of One Sixth Form College (as a Trustee to 31 August 2018) who are employees of the Trust shall not exceed one third of the total number of Trustees. Provision for at least 2 Parent Local Governors is established on the Local Governing Body pursuant to Article 101A of the Articles of Association.

Policies and Procedures Adopted for the Induction and Training of Trustees

All policies and procedures adopted were taken from Suffolk One (school) upon academisation and modified as required. Trustee induction and training is determined by a skills audit.

Organisational Structure

The Trust is overseen by the Board of Trustees which has sub-committees comprising Finance and Audit. In addition, the academy has a Local Governing Body which oversees curriculum and quality matters. In line with sector expectations, the Chief Executive of the SAT is the Accounting Officer for the Trust and along with the designated Chief Financial Officer role and the Trust Secretary, these are supplied at cost to the Trust by West Suffolk College.

Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

A scheme of delegation showing the decisions that must be approved by the Trust board and those which can either be approved or co-authorised by the Executive is produced and approved annually by the Trust board.

Arrangements for setting pay and remuneration of key management personnel

Neither the Trustees nor the Governors of the Local Governing Body receive remuneration for their roles. Of the academy senior leadership team, remuneration is reflected in their contract of employment and any progression or cost of living increases must be approved via the Trust policy which is approved by the Trust Board. The Chief Executive Officer (Accounting Officer), Chief Financial Officer and the Trust Secretary are not remunerated by the Trust and instead payment is made direct to West Suffolk College for these services through an approved SLA. Any changes in charges to the Trust as a result of pay changes to the individuals employed by West Suffolk College would have to be approved by a modified SLA.

Trade Union Facility Time**Relevant Union Officials**

Number of employees who were relevant Union Officials during the relevant period	Full Time Equivalent Employee Number
1	1

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	£1,200 per annum (paid to local authority facility time 'pot')
Total Pay Bill	£6,762,313.56
Percentage of the total pay bill spent on Facility Time, calculated as: (total cost of Facility Time + Total Pay Bill) x 100	Nil

Paid Trade Union Activities

Time spent on paid Trade Union activities as a percentage of total paid Facility Time hours calculated as: (total hours spent on paid Trade Union activities by relevant Union Officials during the relevant period + total paid Facility Time hours) x 100	Nil
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Related Parties and other Connected Charities and Organisations

Three of the five members of the Suffolk Academies Trust, in the accounting year, were Governors of the West Suffolk College Corporation. West Suffolk College also owns the freehold of the site that One Sixth Form College is located on and this property was leased to SAT for 125 years commencing 1 September 2015. The Principal, Vice Principal Finance and Resources and the Clerk to the Corporation and College Secretary of West Suffolk College provide the services of Chief Executive/Accounting Officer, Chief Financial Officer and the Trust Secretary respectively. These services are charged for via a Service Level Agreement approved by both parties and any other charges between West Suffolk College and the SAT are in line with the requirements of related party transactions as set out in the Academies Financial Handbook.

Objectives and Activities

The purpose of the SAT is to provide outstanding quality post 16 education. Currently this is delivered through the Trust's only academy, One Sixth Form College, which is located in Ipswich and serves the local area and the more immediate rural areas around Ipswich.

One Sixth Form College Strategic Aims and Objectives**Outstanding achievement and excellence for all:-**

- a tradition of outstanding achievement
- a professional environment which encourages and embraces challenge
- students achieve and exceed their initial aspirations
- a learning environment enhanced by vibrant commercial engagement

Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)**Excellent personal development opportunities for everyone:-**

- outstanding learning and development opportunities for all
- students and staff take responsibility and pride for their personal development
- students and staff enjoy and achieve their very best
- a culture of success and celebration

Exceptional progression opportunities:-

- All students enjoy first class input from the world of business, commerce and higher education.
- Students are able to make informed choices as a result of high quality advice and guidance.
- All courses demonstrate clear progression opportunities.

Priorities for 2017/18 & beyond

One is rapidly heading towards the achievement of its initial goals and all aspects of our strategy will be based on the further improvement of student attainment and success and their participation and progression.

We also need to begin to plan, in collaboration with others, how we continue to maintain, develop and improve the quality of our provision whilst ensuring we carry on meeting the demands of those young people who consider One to be their first choice for post 16 education.

Strategic areas of development will include:-

- To continue to increase our student number whilst maintaining a balanced curriculum offer and supporting our staff in delivering outstanding outcomes for the college community.
- Maintain a financially sustainable provision in the ever changing context of national funding decisions and a challenging economic environment.
- Enhancing existing specialist 16-19 and 19-25 provision by supporting Suffolk CC to develop provision to meet the specific needs of particular students.
- Developing One as a centre for professional development with a particular focus on teacher training and inset around information, advice and guidance for young people. This will help to improve their transition and progression from 16+ onwards and, into H.E and employment.
- Support the planning and development of Abbeygate Sixth Form College, in Bury St Edmunds, for opening in September 2019. Suffolk Academies Trust (SAT) have been given approval to open this new provision based on the knowledge and experience at One.

Public Benefit

The Trustees have complied with their duty to have due regard to exercising their powers to ensure that the Trust is for the advancement of education. The existence of a Local Governing Body further strengthens the ability of the Trust to meet the needs of the local community. The leisure facilities at One Sixth Form College are made available for community use.

Strategic Report**Achievements and Performance****Context & Student Population**

One Sixth Form College is 'Outstanding' (Ofsted), we were also awarded the accolade of the BTEC College of the Year 2018. We are an inclusive college offering courses at Levels 4, 3, 2 and Foundation Learning, with 90% of students on L3 or 4 programmes, in 2017/18 our student roll was 1955.

Our student population was split as follows:

Qualification type	% of Student population
A Level	42%
Level 3 Vocational	29%
Mixed – (A Level and Level 3 Vocational)	18%
Level 4 (Foundation Art)	2%
Level 2 & Foundation Learning	9%

Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

Outcomes for Students & Value Added

Student outcomes in 2017/18 were some of the best achieved since opening, we have been in the top 10% of schools and colleges nationally in the last 5 years:

- A Level 79% A*-C grades
- A Level 99.1% A*-E grades
- BTEC L3 courses 100% D*D*-PPP (D=Distinction, M=Merit, P=Pass)
- Overall all level 2 courses surpassed the national average at D*D*-D
- Foundation Learning programmes achieved 86% Pass

One Sixth Form College is committed to offering opportunities including second chances to students, we are therefore very proud of the progress made by our students in terms of Value Added. In 2017/18, Value added scores (ALPS – Advanced Level Performance System using the national data base and recognised by the DfE & Ofsted) were:

- A Level: Grade 3 (Excellent)
- BTEC: Grade 3 (Excellent)

Attendance & Retention

Attendance was 92.8% a 1% improvement on the previous year.

Retention was 96% a 1% improvement on the previous year and exceeding benchmarks for Sixth Form Colleges and General Further Education Colleges.

Progression/Destinations

This year the number of students securing university places increased to 62% compared to 56% in 2017, with the number progressing to Russell Group Universities increasing from 43% to 48%. We have seen a 4% decrease in students going in to apprenticeships or employment. We have seen a rise in the number of students going in to Further Education (6.5%) and only 0.5% of students have chosen to take a GAP year compared to 3% in the previous year. For students who are NEET, the figure is 2%, the same as 2017.

Enrichment

The past academic year has been another year of hard work, fun and excitement, the college performance of *The King and I* was simply superb with the part of 'Anna' executed to such a professional level you would have been forgiven for thinking you were in fact in the West End. We were indeed entertained throughout the year with a variety of concerts, dance performances and the *Roscars* (the Media and Film awards).

STEM students were chosen by the Royal Society to be involved with investigations relating to climate change, drought, food shortages and plants, students were selected to attend the University of Essex to present their findings.

Students from the visual arts excelled, with 3 students having their art professionally exhibited in two London galleries with the Creative Industries Day being a great success with a variety of people from the Creative Industries showcasing opportunities for the next generation.

The Geography team made their annual pilgrimage to Iceland, a trip which never fails to disappoint and joined forces with our catering team to promote the use of reusable mugs, biodegradable salad boxes and edible straws to mark World Environment day.

The Royal Garden party arranged by the students in Foundation Learning was a great occasion, bunting, Union Jacks and Victoria sponge were the order of the day.

The Leadership conference led by One Sixth Form members of the Institute of Directors (IoD) was one of the best we have held with leaders from businesses in East Anglia joining students from One Sixth Form and year 11 students from our feeder schools to debate issues around business and culture in the workplace.

The Higher Education Fair was a great success in spite of the particularly inclement weather; 44 out of the invited 60 universities braved the snow and joined us for an outstanding event, this was open to not only our students but also to those students applying to join us in September 2018 and gave them an insight into the opportunities available to them post Sixth Form.

Key Performance Indicators

The Trust uses key performance indicators as a tool to assess performance throughout the year. These KPIs are a mixture of financial and non-financial indicators and the suite of indicators is regularly reviewed and modified according to need and priority. These indicators are reported to the Trust Board and the following KPIs and results presented to Trustees for the 2017/18 year, as shown on the next page.

In addition, One Sixth Form College is an Ofsted Outstanding institution and seeks to maintain this grading. Further work to refine the KPIs was undertaken in the early part of the 2017/18 academic year.

Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)**Going Concern**

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

Financial Review

The majority of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. These grants received from the Education and Skills Funding Agency (ESFA) during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Trust monitors financial performance and well-being by incorporating financial KPIs into the regular financial reports that are considered and discussed by the Finance Committee which reports back to the Board of Trustees. The relevant KPIs are shown in the table below with the outturn or most recent figures included. As can be seen, with the exception of one KPI which is rag rated amber, all KPIs are green. The amber rated KPI is due to a continuing considered decision to invest in the Estate as a result of the overall strong financial performance of the Trust during the year.

The Trust has also been in receipt of capital grants from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2018, total expenditure of £10,432,085 was covered by recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds and pension reserve) was £383,621. As at the 31 August 2018 the total reserve position for restricted and unrestricted funds (excluding fixed asset funds and pension reserve) was £1,285,600. As referenced in the Reserves Policy, it is important to emphasise that this position has not been reached at the expense of sufficient investment in resources or staffing to support the students during the year and indeed both IT equipment/infrastructure and staffing have been the subjects of extra resourcing during the year.

At 31 August 2018 the net book value of fixed assets was £29,913,956 and movements in tangible fixed assets are shown within note 12 and intangible assets in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Trust, with the only exception being the use of the leisure facilities which are subject to community use at a charge.

Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

KPIs 2017 - Period ended August 2018						
KPI	August	RAG Risk	Benchmark	Green RAG	Amber RAG	Red RAG
Cash Reserves (Including that on deposit)	£2,156,809	GREEN	1 month's GAG £739,458	> 1 month GAG	90-100% of 1 month GAG	<90% of 1 month GAG
YTD Income as percentage of YTD budget	102.43%	GREEN	Budget	100% or greater	90-100%	<90%
YTD Expenditure as percentage of YTD budget	97.61%	GREEN	Budget	100% or less	101-110%	<110%
Forecasted Surplus/Deficit compared to Budget	£408,586	GREEN	Budget surplus £154,602	> £10k better than budget	Within £10k of budget	> £10k behind budget
Actual staff costs as a % of total Income	68%	GREEN	Budget (72%)	Below target	Within 1%	Over budget
Actual staff costs as a % of GAG Income	76%	GREEN	Budget (78%)	Below target	Within 1%	Over budget
Actual staff costs as a % of YTD Budget	97.69%	GREEN	Actual v YTD budget	> 1% better than budget	Within 1%	Over budget
Percentage of budget spent on Buildings. YTD Actuals V YTD Budget	11.36%	AMBER	Premises spend of GAG income including utilities	> 1% better than budget of 10.92%	Within 1%	Over budget
Yr 12 Student applications 2018/19 x assumed conversion rate of 61.38% (Mar - Aug)	1,179	GREEN	1,046 - difference between target (KPI 14) and forecast year 13 based on historic conversion of yr 12 to yr 13	Above target	Within 5%	More than 5% below target
Total Student numbers forecast 2017/18 (Apr - Jun)	2,088	GREEN	2,016 Figure from submitted 3 year BP for 18/19	Above target	Within 5%	More than 5% below target

The Trust is considered to be a strong going concern with well-maintained buildings and healthy student numbers at the start of the following year which will reinforce the ESFA grant funding. Finances will continue to be closely scrutinised at both executive and Board level to ensure financial viability is maintained and that learners benefit from appropriate investment in the resources and infrastructure of the organisation.

In accordance with FRS102, the Trust received an actuarial assessment of the pension scheme. The deficit balance is included within the balance sheet as at 31 August 2018 and supporting notes to the accounts.

Reserves Policy

Trustees have the responsibility to manage the assets of the Trust. Setting a reserves policy is a central part of managing the Trust's finances and safeguarding the assets. Trustees must consider both the needs of today's students as well as those of the future when setting a reserves policy. Holding back excessive funds for future needs may damage the education of the current students. Conversely, fully spending all of the current funds leaving no money for investment in the future of the Trust, can damage the education of tomorrow's students.

The Trust was created in September 2015 and therefore the financial strategy has been to establish sufficient reserves to ensure financial resilience for the Trust in the longer term so that any future shortfalls in student numbers or cuts in funding do not negate the opportunity to invest in the future of the organisation. To create this resilience, the intended free reserves level that the Trust set for itself in the Autumn of 2016 was the equivalent of 1 month's estimated expenditure which is approximately £850,000. This was considered sufficient a sum to provide some financial resilience but not so large that it would deny current students of appropriate investment in the resources and infrastructure of the Trust.

Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

During the 2017/18 year the unrestricted reserves figure has increased by £203,344 which means that the Trust has slightly exceeded the aspirant target of £850,000. It is important to emphasise that this has not been done at the expense of sufficient investment in resources or staffing to support the students during the year and indeed both IT equipment/infrastructure and staffing have been the subjects of extra resourcing during the year.

As at the end of the 2017/18 financial year, unrestricted reserves amounted to a total £879,113 which means that the Trust has reached its aspirant target of £850,000. The arrival at this target earlier than planned is a positive position, since it has been done without detriment to the provision of education to the Academy students, but equally provides the Trust with a robust reserves position ahead of a period of significant change for the Trust as it creates a second 16-19 academy that will open in September 2019. The level of free reserves reached is considered to be a very positive start for the Trust having only been in operation for three years.

The level of restricted general funds amounts to £406,487 at the year end and it is intended that this level of reserves should be minimised in order to ensure that at the end of the year the reserve is largely spent on the activities for which it was intended.

With the scale of organisational change approaching the Trust and the continued pressure on the education sector's finances, a month's equivalent of expenditure is considered a minimal reserves position for the Trust. Whilst the existing investment in facilities, ICT infrastructure and resources (both staffing and non-staffing) will continue, the Trust will not deliberately contain the level of unrestricted reserves to one month only going forward until the new academy is successfully established and supporting resources appropriately positioned.

Investment Policy

The Trust recognises the need to obtain best value from all of the assets that it holds, including any cash balances that it may periodically hold.

This Trust's policy sets out how those balances will be invested in order to achieve best value whilst also ensuring sufficient cash flow to enable the management of the day-to-day accounts.

The Trust does not place cash assets in stocks, shares, bonds or other such investment schemes. Cash assets will only be invested in current accounts available through its normal bank, currently Lloyds Bank plc. Cash flow and investments shall be managed by the Trust finance team using the following principles:

- Current account balances earn interest which is aggregated across the Trust and then offset against the commission charges accrued producing a net surplus interest payment to the Trust.
- Cash Flow and Current a/c balances are regularly monitored to ensure immediate financial commitments can be met (payroll and creditor payment runs).
- The Trust will always seek to avoid its current account going overdrawn.
- In balancing risk and reward, will always seek to work with a strategy of minimising risk over maximising reward.

Principal Risks and Uncertainties

The key risks and uncertainties facing the Trust are documented in the risk register of the Trust and One Sixth Form College also maintains its own risk register. These two registers are regularly triangulated and contain mitigation measures to address or reduce the impact of risks should they come to pass.

The top three risks on the Trust register at the end of the financial year related to:

- Achieving a Shared Vision
- Achieving a Shared Services Strategy
- Maintaining good relationships with key stakeholders

In part, the KPI schedules also assist in the management of risk and the well-being of the organisation and along with the risk register which has an associated action plan, the KPIs are regularly reviewed by Trustees.

Fundraising

The Trust undertook no fundraising activities during the year.

Plan for Future Periods

In addition to consolidating One Sixth Form College's position as the top provider of post 16 education in the vicinity of Ipswich, the Trust has been successful in obtaining Department for Education agreement to open and operate a post 16 free school for the west of Suffolk at a location in Bury St Edmunds. This 16-19 academy will be called Abbeygate Sixth

Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

Form College and the objective of the Trust will be to replicate the outstanding quality of One Sixth Form College at a free school in Bury St Edmunds and improve the academic offer to the post 16 age group in Suffolk, raising performance and aspiration.

Funds Held as Custodian Trustee on Behalf of Others

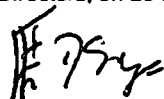
With the exception of modest funds held by the Trust on behalf of the SWISS (South West Ipswich & South Suffolk) schools partnership, the Trust does not hold funds on behalf of others. The partnership (of which Suffolk One is part of) is a unique collaboration of high schools in the South West Ipswich and South Suffolk areas whose objectives are educational.

Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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 20 December 2018 and signed on the Board's behalf by:



Elton D'Souza
Chair of Trustees
20 December 2018

Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)**Governance Statement****Scope of Responsibility**

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

The Board of Trustees has delegated the day to day responsibility to the Chief Executive, 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 Suffolk Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustee's Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Elton D'Souza	4	4
Chris Higgins	1	4
Caroline Gibson	0	3
Howard Lay	1	2
Roger Inman	2	4
Sarah Howard	2	4
Chris Ridgeon	3	4
Julia Wakelam	2	4
Alan Whittaker	4	4
Nikos Savvas	4	4

The Trust Board has not encountered any particular challenges during the year. The Trust Board has continued to provide strong and supportive governance for the existing One Sixth Form College and has been monitoring progress of the start of the Abbeygate Sixth Form College capital project being managed by the ESFA. The Board is mindful of the importance of strategic planning for the start of the new Sixth Form.

Details of the coverage of work undertaken by the Board and its sub-committees is set out below and summary KPIs are considered at each Trust Board meeting. These KPIs are included in the Trustees report.

Membership of the Board of Trustees changed in the year with the resignation of Howard Lay in January and Caroline Gibson in April 2018. In July 2018 the Members appointed six new Trustees for their term of office to commence on 1 September 2018; Jim Gazzard, Karen Points, Alan Maltress, Terry Hunt, Deborah Wildridge and Sarah Healey Pearce. In addition 2 Members, Sue Daley and Steve Clarke, resigned as Members and were appointed as Trustees. Their term office also commenced on 1 September 2018.

At the end of the academic year the Board of Trustees and its sub-committees completed an annual governance self-evaluation tool. The findings, actions and impact they had are to be reported to the Members and the Board at the meeting to be held in December 2018. In accordance with governance good practice, the Trustee Board is expected to conduct a self-evaluation review of its effectiveness of operation on an annual basis.

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to formulate guidelines for, and oversee the discharge of the Academy Trust's responsibilities for the proper management of the finances, estate and assets of the Academy Trust, and any of its Academies.

In the year Julia Wakelam left the membership of the Finance Committee and joined the membership of the Audit Committee. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Elton D'Souza	5	5
Chris Higgins	5	5
Chris Ridgeon	3	5
Julia Wakelam	3	4
Alan Whittaker	5	5
Nikos Savvas	5	5

Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

The Audit committee is also a sub-committee of the main Board of Trustees. Its purpose is to review the effectiveness of the internal control environment and risk management arrangements, providing timely advice to the Board of Trustees on areas within its remit.

Attendance at meetings during the year/period was as follows:

Trustee	Meetings attended	Out of a possible
Caroline Gibson	1	1
Howard Lay	0	1
Roger Inman	2	2
Sarah Howard	2	2
Julia Wakelam	1	1

Review of Value for Money

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

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

- delivering the curriculum with an efficient staffing structure having recruited higher student numbers
- optimising allocation of staff time
- taking a considered approach to investment in the building, infrastructure and IT.
- Applying the principles of the Trust's Best Value Statement

As a Trust and with the support of formula capital funding and self-generated reserves, we are now able to invest in our estate and ICT infrastructure. This enables the Trust to develop a strategy to deal with the estates priorities with all expenditure of a capital nature now being managed centrally which additionally will bring a number of procurement benefits. The Trust has also looked at a number of new initiatives to increase savings and efficiencies that will benefit the academies within the Trust as we move into a period that will see increased pension costs and reduced funding. The infrastructure that has been created, and will continue to develop, will offer our current Academy and those of the future that join the Trust a value for money sustainable future.

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

The Board of Trustees has considered the need for a specific internal audit function and has decided:

Schools Choice has been appointed to carry out internal checks.

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

Payroll
Purchasing
Petty Cash
Income Controls
Monitoring and Review
Governance
Audit
Planning Cycle and Budget
Inventory and Security
Tax
Data Security
Insurance

On a regular basis, the internal auditor reports to the Board of Trustees through the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal auditor has delivered their schedule as planned and provide details on any material control issues arising as a result of the review and remedial action taken to rectify the issues. There were no instances of material control issues arising for the period 1 September 2017 for which financial statements have been prepared to 31 August 2018 and up to the date of the approval of the annual report and financial statements.

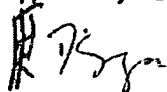
Review of Effectiveness

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

- the work of the internal auditor
- the work of the external auditor
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the member of the Board of Trustees on 20 December 2018 and signed on its behalf by:



Elton D'Souza
Chair of Trustees



Dr Nikos Savvas
Accounting Officer

Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

Statement of Regularity, Propriety and Compliance

As Accounting Officer of Suffolk Academies Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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



Dr Nikos Savvas
Accounting Officer

20 December 2018

Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)**Statement of Trustees' Responsibilities**

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

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

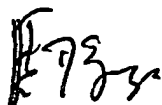
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academy Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by the order of the members of the Board of Trustees on 20 December 2018 and signed on its behalf by:



Elton D'Souza
Chair of Trustees

Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)**Independent Auditor's Report to the Members of Suffolk Academies Trust****Opinion**

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

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements 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 financial statements 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 financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

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

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.



Giles Kerkham FCA DChA (Senior statutory auditor)
For and on behalf of

Larking Gowen LLP

Chartered Accountants
Statutory Auditors

Ipswich

Date: 21.12.2018

Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)**Independent Reporting Accountant's Assurance Report on Regularity to Suffolk Academies Trust Limited and the Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated 2 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Suffolk Academies Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Suffolk Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Suffolk Academies 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 Suffolk Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Suffolk Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Suffolk Academies Trust's funding agreement with the Secretary of State for Education dated February 2015 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2017 to 2018 and the ICAEW Assurance Sourcebook. The work undertaken to draw to our conclusion includes, but is not limited to:

- Enquiry of senior management and the trust's directors;
- Inspection and review of the accounting records, meeting minutes, internal control procedures, management representations and declarations of interest;
- Observation and re-performance of the financial controls;
- Review of the results of the trust's process of independent checking of financial controls, systems, transactions and risks.

Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

Conclusion

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

Larking Gowen LLP

Larking Gowen LLP
Chartered Accountants
Statutory Auditors
Ipswich

21.12.2018

Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

Statement of Financial Activities for the period ended 31 August 2018
(including Income and Expenditure Account)

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2018 £	Total 2017 £
Income and endowments from:						
Donations and capital grants	2	-	-	44,545	44,545	44,545
<i>Charitable activities:</i>						
Funding for the academy trust's educational operations	3	128,377	9,572,757	-	9,701,134	9,532,620
Other trading activities	4	359,800	2,200	-	362,000	374,107
Investments	5	4,909	-	-	4,909	7,190
Total		493,086	9,574,957	44,545	10,112,588	9,958,462
Expenditure on:						
Raising Funds	6	27,491	-	-	27,491	43,080
<i>Charitable activities:</i>						
Academy trust educational operations	7	257,562	9,406,032	741,000	10,404,594	9,721,316
Total		285,053	9,406,032	741,000	10,432,085	9,764,396
Net Income / (expenditure)		208,033	168,925	(696,455)	(319,497)	194,066
Transfers between funds	17	(4,689)	(286,008)	290,697	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	17, 25	-	568,000	-	568,000	727,000
Net movement in funds		203,344	450,917	(405,758)	248,503	921,066
Reconciliation of funds						
Total funds brought forward at 1 September 2017	17	675,769	(1,640,430)	28,981,625	28,016,964	27,095,898
Funds carried forward at 31 August 2018		879,113	(1,189,513)	28,575,867	28,265,467	28,016,964

All of the academy's activities derive from continuing operations/acquisitions during the current financial period.

Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)**Statement of Financial Activities for the period ended 31 August 2017
(including Income and Expenditure Account) showing comparatives by fund**

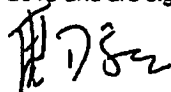
	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £
Income and endowments from:				
Donations and capital grants	-	-	44,545	44,545
<i>Charitable activities:</i>				
Funding for the academy trust's educational operations	107,072	9,425,548	-	9,532,620
Other trading activities	374,107	-	-	374,107
Investments	7,190	-	-	7,190
Total income and endowments	488,369	9,425,548	44,545	9,958,462
Expenditure on:				
Raising Funds	43,080	-	-	43,080
<i>Charitable activities:</i>				
Academy trust educational operations	115,036	8,951,223	655,057	9,721,316
Total expenditure	158,116	8,951,223	655,057	9,764,396
Net income / (expenditure)	330,253	474,325	(610,512)	194,066
Transfers between funds	-	(557,617)	557,617	-
Other recognised gains / (losses):				
Actuarial (losses) / gains on defined benefit pension schemes	-	727,000	-	727,000
Net movement in funds	330,253	643,708	(52,895)	921,066
Reconciliation of funds				
Total funds brought forward at 1 September 2016	345,516	(2,284,138)	29,034,520	27,095,898
Funds carried forward at 31 August 2017	675,769	(1,640,430)	28,981,625	28,016,964

Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

Balance Sheet as at 31 August 2018

	Notes	2018 £	2017 £
Fixed Assets			
Intangible assets	11	10,166	3,915
Tangible assets	12	<u>29,903,790</u>	<u>30,410,767</u>
		<u>29,913,956</u>	<u>30,414,682</u>
Current assets			
Stock	13	3,586	1,306
Debtors	14	232,403	199,323
Cash at bank and in hand		<u>2,156,942</u>	<u>1,865,231</u>
		<u>2,392,931</u>	<u>2,065,860</u>
Liabilities			
Creditors: Amounts falling due within one year	15	<u>(958,726)</u>	<u>(949,900)</u>
Net current assets		<u>1,434,205</u>	<u>1,115,960</u>
Total assets less current liabilities		<u>31,348,161</u>	<u>31,530,642</u>
Creditors: amounts falling due after more than one year	15	(1,486,694)	(1,646,678)
Net assets excluding pension liability		<u>29,861,467</u>	<u>29,883,964</u>
Defined benefit pension scheme liability	25	(1,596,000)	(1,867,000)
Total net assets		<u>28,265,467</u>	<u>28,016,964</u>
Funds of the academy trust:			
Restricted funds			
- Fixed asset fund	17	28,575,867	28,981,625
- Restricted income fund	17	406,487	226,570
- Pension reserve	17	<u>(1,596,000)</u>	<u>(1,867,000)</u>
Total restricted funds		<u>27,386,354</u>	<u>27,341,195</u>
Unrestricted income funds	17	879,113	675,769
Total unrestricted funds		<u>879,113</u>	<u>675,769</u>
Total funds		<u>28,265,467</u>	<u>28,016,964</u>

The financial statements on pages 21 to 23 were approved by the trustees, and authorised for issue on 20th December 2018 and are signed on their behalf by:



Elton D'Souza
Chair of Trustees

Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)**Statement of Cash Flows for the period ended 31 August 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	20	642,523	1,240,226
Cash flows from investing activities	22	(190,820)	(407,489)
Cash flows from financing activities	21	(159,992)	(159,992)
Change in cash and cash equivalents in the reporting period		<u>291,711</u>	<u>672,745</u>
Reconciliation of net cash flow to movement in net funds			
Cash and cash equivalents at 01 September 2017	23	1,865,231	1,192,486
Cash and cash equivalents at 31 August 2018		<u>2,156,942</u>	<u>1,865,231</u>

Notes to the Financial Statements for the Year Ended 31 August 2018

1 Statement of Accounting Policies

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.

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), 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 (FRS102) (Charities SORP (FRS102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Suffolk Academies Trust meets the definition of a public benefit entity under FRS 102.

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 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 financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

- **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

The trust is benefitting from the ESFA's Free School/Priority Schools Building Programme for the construction of Abbeygate Sixth Form College in Bury St Edmunds. The funding for the programme is not recognised as a capital grant until there is unconditional entitlement from costs being incurred, and the development occurring on a site where the trust controls through ownership, lease or license the site where the development is occurring.

- **Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance related conditions) where the receipt is probable and the amount can be measured reliably.

- **Donations**

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

- **Other income**

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

- **Donated goods, facilities and services**

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

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)**1 Statement of Accounting Policies**

- **Donated fixed assets (excluding Transfers on conversion/into trust)**
Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Gifted assets on conversion

The conversion from a state maintained school to an academy on 1st September 2015 involved the transfer of identifiable net assets and liabilities within the school and its operation for £nil consideration.

The assets and liabilities transferred on conversion from Suffolk One to the Trust have been valued on either the basis of depreciated replacement value (long leased buildings) or their fair value (all other assets).

Upon conversion, One Sixth Form College entered into a leasehold agreement with West Suffolk College for the land. A sum of £1.6m will be paid to West Suffolk College at £80,000 per year for 20 years and thereafter a peppercorn rent sum of £1 for 105 years. To reflect the substance of this transaction, the trust has accounted for the full £1.6m on transfer, with future repayments reducing the liability

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 are 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 allocated on the portion of the asset's use.

- **Expenditure on Raising Funds**
This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.
- **Charitable activities**
These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, as follows:

Purchased computer software	25%
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Tangible Fixed Assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the required 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 / reducing balance basis over its expected useful lives, as follows:

• Long Leasehold Buildings	50 years
• Building Improvements	10 years
• Fixtures, fittings & equipment	10 years

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)**1 Statement of Accounting Policies**

- Computer hardware 4 years
- Motor Vehicles 5 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Liabilities

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

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Stock

Unsold art supplies are valued at the lower of cost or net realisable value.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 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.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in Note 25, the TPS is a multi-employer scheme and there is insufficient information available to use the defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)**1 Statement of Accounting Policies**

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

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

Fund Accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions includes the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact the carrying amount of the pension liability.

Critical areas of judgement

These accounts are presented as a true and fair view of the Trust's financial position at the balance sheet date and are believed to be materially correct and free from bias. A judgement has been made on the Fixed Asset Policy over the life of an asset.

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27.

The academy trust acts as an agent in distributing the SWISS Partnership monies. The funds received and any balances held are disclosed in note 27.

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

2 Donations and Capital Grants

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Capital grants				
Devolved Formula Capital	-	44,545	44,545	44,545
	-	44,545	44,545	44,545

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
DfE/ESFA Revenue Grants				
General Annual Grant	-	8,953,502	8,953,502	9,000,716
Rates Relief	-	106,666	106,666	105,950
Free School Meals	-	50,083	50,083	45,068
Discretionary Bursary 5% retained	-	12,028	12,028	11,478
T Levels	-	31,103	31,103	-
	-	9,153,382	9,153,382	9,163,212
Other Government Grants				
SEN element 3	-	224,774	224,774	244,679
Abbeygate PDG	-	172,343	172,343	17,657
SCC Reimbursement LGPS insurance	-	22,258	22,258	-
SLC	-	-	-	7,070
	-	419,375	419,375	269,406
Other income from the academy trust's educational operations				
Catering Income	-	-	-	244
Academy Trips	128,377	-	128,377	99,758
	128,377	9,572,757	9,701,134	9,532,620

4 Other Trading Activities

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Hire of Facilities	83,327	-	83,327	83,895
Items Sold	23,033	-	23,033	39,572
Insurance Claims	4,570	-	4,570	4,965
ONE Bus	116,448	-	116,448	106,660
Car Parking	23,786	-	23,786	23,105
Music	-	-	-	16,405
Exam Resits	19,472	-	19,472	15,780
Work Experience	13,495	-	13,495	10,719
Sale of assets	11,385	-	11,385	7,415
Productions	10,944	-	10,944	8,822
Other	53,340	2,200	55,540	56,769
	359,800	2,200	362,000	374,107

5 Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Bank Interest	4,909	-	4,909	7,190
	4,909	-	4,909	7,190

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

6 Expenditure

	Non Pay Expenditure			Total	Total
	Staff Costs	Premises	Other	2018	2017
	£	£	£	£	£
Expenditure on raising funds					
• Direct Costs	-	-	-	-	-
• Allocated Support Costs	-	-	27,491	27,491	43,080
Academy's educational operations					
• Direct Costs	5,763,678	741,000	874,068	7,378,746	6,990,562
• Allocated Support Costs	1,301,854	1,000,821	723,173	3,025,848	2,730,754
	<u>7,065,532</u>	<u>1,741,821</u>	<u>1,624,732</u>	<u>10,432,085</u>	<u>9,764,396</u>

Net Income/(expenditure) for the period includes:

	2018	2017
	£	£
Operating lease rentals	115,866	119,883
Depreciation	737,832	653,363
(Gain)/Loss on disposal of fixed assets	231	
Amortisation of intangible fixed assets (included within Charitable Activities - Academy trust educational operations)	2,937	1,694
Fees payable to auditor for:		
- audit	11,000	9,465
	<u>867,866</u>	<u>784,405</u>

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

6 Expenditure (continued)

Included within expenditure are the following transactions.

	Total £	Individual items above £5,000	
		Amount £	Reason
Stock losses	231	231	Broken Asset

7 Charitable Activities

	Total 2018 £	Total 2017 £
Direct costs - educational operations	7,378,746	6,990,562
Support costs - educational operations	3,025,848	2,730,754
	<u>10,404,594</u>	<u>9,721,316</u>

	Educational Operations £	Total 2018 £	Total 2017 £
Analysis of support costs			
Support staff costs	1,301,854	1,301,854	1,113,494
Technology costs	22,693	22,693	18,126
Premises costs	1,000,821	1,000,821	981,835
Other support costs	689,480	689,480	607,834
Governance costs	11,000	11,000	9,465
Total support costs	<u>3,025,848</u>	<u>3,025,848</u>	<u>2,730,754</u>

8 Staff

	Total 2018 £	Total 2017 £
a. Staff costs		
Staff costs during the period were:		
Wages and salaries	5,326,782	5,030,409
Social security costs	477,480	469,624
Operating costs of defined benefit pension schemes	1,231,767	1,092,579
Apprenticeship Levy	11,436	4,372
	<u>7,047,465</u>	<u>6,596,984</u>
Supply staff costs	<u>18,067</u>	<u>26,501</u>
	<u>7,065,532</u>	<u>6,623,485</u>
Staff restructuring costs comprise:		
Severance payments	<u>2,350</u>	<u>10,910</u>
	<u>2,350</u>	<u>10,910</u>

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)**8 Staff Costs (continued)****b. Non statutory/non-contractual staff severance payments**

Included in staff restructuring costs are non statutory/non contractual severance payments totalling £2,350 made in July 2018. This was an individual payment. (2017: £10,910, individually the payments were £7,410 and £3,500).

c. Staff numbers

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

	2018 No.	2017 No
Teachers	108	100
Administration and support	107	95
Management	3	3
	<u>218</u>	<u>198</u>

d. Higher paid staff

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

	2018 No.	2017 No
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1
£100,001 - £110,000	1	1

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £337,071 (2017 £301,428).

This figure excludes remuneration for the Chief Financial Officer whose costs, along with Chief Executive Officer form part of the £64,268 Service Level Agreement between the Academy Trust and West Suffolk College as disclosed in note 26.

9 Related Party Transactions - Trustees' Remuneration and Expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal only receives remuneration in respect of services provided undertaking the role of principal under a contract of employment.

The value of trustees' remuneration was as follows:

A Whitaker (principal and trustee):

Remuneration £105,000 - £110,000 (2017: £105,000 - £110,000)

Employers pension contributions £15,000 - £20,000 (2017: £15,000 - £20,000)

During the period ended 31 August 2018, travel and subsistence expenses totalling £1,211 (2017: £1,323) were reimbursed or paid directly to one trustee (2017 one)

Other related party transactions involving the trustees are set out in note 26.

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

10 Trustees' and Officers' Insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK Government funds cover losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on academy 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.

11 Intangible Fixed Assets

	Computer Software £	Total £
Cost		
At 1 September 2017	6,777	6,777
Additions	9,188	9,188
At 31 August 2018	<u>15,965</u>	<u>15,965</u>
Amortisation		
At 1 September 2017	2,862	2,862
Charged in year	2,937	2,937
At 31 August 2018	<u>5,799</u>	<u>5,799</u>
Carrying Amount		
At 31 August 2017	3,915	3,915
At 31 August 2018	<u>10,166</u>	<u>10,166</u>

12 Tangible Fixed Assets

	Leasehold Land and Buildings £	Plant and Equipment £	Computer Hardware £	Vehicles £	Furniture and Fixtures £	Leasehold Imprvmnts £	Total £
Cost							
At 1 September 2017	31,005,947	57,312	485,440	5,807	112,423	-	31,666,929
Reclassification of category	(5,948)	-	-	-	-	5,948	-
Additions	-	47,395	114,775	1,650	55,576	11,690	231,086
Disposals	-	-	-	-	(305)	-	(305)
At 31 August 2018	<u>30,999,999</u>	<u>104,707</u>	<u>600,215</u>	<u>7,457</u>	<u>167,694</u>	<u>17,638</u>	<u>31,897,710</u>
Depreciation							
At 1 September 2017	1,177,778	2,221	68,108	917	7,138	-	1,256,162
Charged in year	588,889	6,130	127,116	1,244	13,802	651	737,832
Disposals	-	-	-	-	(74)	-	(74)
At 31 August 2018	<u>1,766,667</u>	<u>8,351</u>	<u>195,224</u>	<u>2,161</u>	<u>20,866</u>	<u>651</u>	<u>1,993,920</u>
Net Book Values							
At 31 August 2017	29,828,169	55,091	417,332	4,890	105,285	-	30,410,767
At 31 August 2018	<u>29,233,332</u>	<u>96,356</u>	<u>404,991</u>	<u>5,296</u>	<u>146,828</u>	<u>16,987</u>	<u>29,903,790</u>

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

12 Tangible Fixed Assets (Continued)

- Included within the leasehold land and buildings is a long leasehold on One Sixth Form College for £1.6m, payable at £80,000 per annum over a term of 20 years
 - Then £1 per annum peppercorn rent over the remaining balance of the 125 years remaining on the lease.
 - Land is not depreciated and was valued at £4.5m at the time of academisation.

13 Stock

	2018	2017
	£	£
Art supplies	3,586	1,306
	<u>3,586</u>	<u>1,306</u>

14 Debtors

	2018	2017
	£	£
Trade debtors	6,101	8,933
VAT recoverable	89,638	104,237
Other debtors	6,017	2,120
Prepayments and accrued income	130,647	84,033
	<u>232,403</u>	<u>199,323</u>

15 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	183,557	186,395
Taxation and social security	117,470	107,186
Other creditors	416,142	452,678
Accruals and deferred income	241,557	203,641
	<u>958,726</u>	<u>949,900</u>

Deferred Income

	2018	2017
	£	£
Deferred Income at 1 September 2017	140,289	114,824
Released from previous years	(140,289)	(114,824)
Resources deferred in the year	157,738	140,289
Deferred Income at 31 August 2018	<u>157,738</u>	<u>140,289</u>

At the balance sheet date the academy trust was holding funds received in advance for

- £63,266 Rates Relief September 2018 to March 2019
- £46,310 One Bus payments from students for the Autumn Term 2018
- £23,710 Receipts for students for educational trips due to take place in the academic year starting 1st September 2018
- £24,452 Other

Included within other creditors is:

- a debt amount of £80,000 due within 2018/19 year to the ESFA which is provided on the following terms: a debt repayment over 6 years of £80,000 per year
- a debt amount of £80,000 due within 2018/19 to West Suffolk College which is provided on the following terms: a debt repayment over 20 years of £80,000 per year.

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

16 Creditors: amounts falling due in greater than one year

	2018 £	2017 £
Other Creditors	1,486,694	1,646,678
	<u>1,486,694</u>	<u>1,646,678</u>

Included within other creditors is:

A debt of £206,964 due to the ESFA which is provided on the following term: a debt repayment over 6 years of £80,000 per year with effect from 1st April 2016.

A debt of £1,280,000 which is the balance of the rental payments due to West Suffolk College. This is due to be repaid at £80,000 per year over a term of 20 years.

There is no interest due on either of the amounts referred to above.

17 Funds

	Balance at 1 September 2017 £	Income £	Expenditure £	transfers £	Gains / (Losses) £	Balance at 31 August 2018 £
Restricted general funds						
General Annual Grant (GAG)	202,023	8,953,502	(8,213,229)	(695,796)	-	246,500
Abbeygate	-	174,543	(42,001)	-	-	132,542
SEN Element 3	3,526	224,774	(228,300)	-	-	-
Other restricted - Rates	171	106,665	(106,667)	-	-	169
Free School Meals Grant	20,850	50,083	(43,657)	-	-	27,276
FSM & Bursary Admin retained	-	12,028	(12,028)	-	-	-
Other restricted	-	53,362	(33,150)	(20,212)	-	-
Pension reserve	(1,867,000)	-	(727,000)	430,000	568,000	(1,596,000)
	<u>(1,640,430)</u>	<u>9,574,957</u>	<u>(9,406,032)</u>	<u>(286,008)</u>	<u>568,000</u>	<u>(1,189,513)</u>
Restricted fixed asset funds						
Transfer on Conversion	28,384,977	-	(590,535)	80,000	-	27,874,442
DfE Group capital grants	84,032	44,545	(8,095)	-	-	120,482
Capital expenditure from GAG	501,393	-	(139,261)	185,796	-	547,928
Other Restricted Funds	11,223	-	(2,806)	20,212	-	28,629
Unrestricted Funds	-	-	(303)	4,689	-	4,386
	<u>28,981,625</u>	<u>44,545</u>	<u>(741,000)</u>	<u>290,697</u>	<u>-</u>	<u>28,575,867</u>
Total restricted funds	<u>27,341,195</u>	<u>9,619,502</u>	<u>(10,147,032)</u>	<u>4,889</u>	<u>568,000</u>	<u>27,386,354</u>
Unrestricted funds						
Unrestricted funds	675,769	493,086	(285,053)	(4,689)	-	879,113
Total unrestricted funds	<u>675,769</u>	<u>493,086</u>	<u>(285,053)</u>	<u>(4,689)</u>	<u>-</u>	<u>879,113</u>
Total funds	<u>28,016,964</u>	<u>10,112,588</u>	<u>(10,432,085)</u>	<u>-</u>	<u>568,000</u>	<u>28,265,467</u>

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

General Annual Grant (GAG) monies have been received from the ESFA and are restricted for the Academy Educational Operations.

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

The Trust is carrying a net surplus of £406,487 before the pension adjustment on restricted general funds. Of this balance £246,500 relates to unspent GAG money which will continue to be used for the academy educational operations. Within this figure is a sum of £93,390 being the balance of central MAT monies carried forward from the Academy inception of 1st September 2015. This will in part be used to support pan-Trust projects from which both academies will benefit. The Trust has made a commitment to invest in the building and ICT infrastructure and part of the spend totalling £165,991 is planned to be spent from the GAG reserves during 2018/19 with the remainder coming from DFC. Both these figures reflect the transfer of £80k from the Restricted income fund to the Fixed Asset Fund to reflect the leasehold payment for the Suffolk One site. Within the restricted funds, the Free School meals has had expenditure of £43,657 against income in year of £50,083 causing a balance of £27,276 which will be spent in 2018 on supporting students on the discretionary bursary scheme as per ESFA guidelines. The sum of £132,542 is the balance of monies held from the PDG for the Abbeygate Sixth Form. This new sixth form is due to open on 1st September 2019 and these funds will be discharged in the lead up to this. The following transfers have taken place into the Fixed Asset Fund for continuing investment in the building and IT operations:

- £185,796 GAG
- £20,212 Restricted Funds
- £4,689 Unrestricted Funds

A transfer of £430,000 was made to support the pension deficit.

The trust is carrying a net surplus of £879,113 unrestricted funds.

The Devolved Formula Capital (DFC) Grant is accounted for within the Restricted Fixed Asset Funds. A balance of £84,032 was carried forward in the fund from 2016/17. A sum of £44,545 was received in 2017/18 against which £29,578.44 was discharged on Fixed Assets. The £120,482 balance is made up of £21,908.46 unspent DFC and £98,573 of undepreciated DFC.

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

	Balance at 1 September 2016 £	Income £	Expenditure £	transfers £	Gains / (Losses) £	Balance at 31 August 2017 £
Restricted general funds						
General Annual Grant (GAG)	46,128	9,000,716	(7,949,427)	(895,394)		202,023
Abbeygate		17,657	(17,657)			-
SEN Element 3		244,680	(229,931)	(11,223)		3,526
Other restricted - Rates	168	105,950	(105,947)			171
Free School Meals Grant	24,566	45,067	(48,783)			20,850
FSM & Bursary Admin retained		11,478	(11,478)			-
Other restricted						-
Pension reserve	(2,355,000)		(588,000)	349,000	727,000	(1,867,000)
	(2,284,138)	9,425,548	(8,951,223)	(557,617)	727,000	(1,640,430)
Restricted fixed asset funds						
Transfer on Conversion	28,815,512	-	(590,535)	160,000	-	28,384,977
DFE Group capital grants	42,388	44,545	(2,901)			84,032
Capital expenditure from GAG	176,620		(61,621)	386,394		501,393
Other Restricted Funds				11,223		11,223
	29,034,520	44,545	(655,057)	557,617	-	28,981,625
Total restricted funds	26,750,382	9,470,093	(9,606,280)	-	727,000	27,341,195
Unrestricted funds						
Unrestricted funds	345,516	488,369	(158,116)			675,769
Total unrestricted funds	345,516	488,369	(158,116)	-	-	675,769
Total funds	27,095,898	9,958,462	(9,764,396)	-	727,000	28,016,964

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

18 Analysis of Net Assets between Funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds 2018 £
Intangible fixed assets	-	-	10,166	10,166
Tangible Fixed assets	-	-	29,903,790	29,903,790
Current assets	1,093,878	1,271,008	28,045	2,392,931
Current liabilities	(214,765)	(657,827)	(86,134)	(958,726)
Non current liabilities	-	(206,694)	(1,280,000)	(1,486,694)
Pension scheme liability	-	(1,596,000)	-	(1,596,000)
Total net assets	879,113	(1,189,513)	28,575,867	28,265,467

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds 2017 £
Intangible fixed assets			3,915	3,915
Tangible Fixed assets			30,410,767	30,410,767
Current assets	764,666	1,294,251	6,943	2,065,860
Current liabilities	(88,897)	(781,003)	(80,000)	(949,900)
Non current liabilities		(286,678)	(1,360,000)	(1,646,678)
Pension scheme liability		(1,867,000)		(1,867,000)
Total net assets	675,769	(1,640,430)	28,981,625	28,016,964

19 Commitments under Operating Leases

Operating Leases

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

	2018 £	2017 £
Amounts due within one year	120,239	100,600
Amounts due between one and five years	31,352	95,940
	151,591	196,540

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

20 Reconciliation of Net Income/(Expenditure) to Net Cash flow from operating activities

	2018 £	2017 £
Net income/(expenditure) for the year (as per the statement of financial activities)	(319,497)	194,066
Adjusted for:		
Amortisation (note 11)	2,937	1,694
Depreciation (note 12)	737,832	653,363
Loss on disposal	231	-
Capital grants from DfE and other capital income	(44,545)	(44,545)
Interest receivable (note 5)	(4,909)	(7,190)
Cash transferred on conversion to an academy trust (note)	-	-
Fixed assets transferred from Local Authorities (note)	-	-
Fixed assets transferred from others (note 2)	-	-
Defined benefit pension scheme obligation inherited (note 25)	-	-
Defined benefit pension scheme cost less contributions payable (note 25)	247,000	187,000
Defined benefit pension scheme finance cost (note 25)	50,000	52,000
(Increase)/decrease in stocks	(2,280)	206
(Increase)/decrease in debtors	(33,080)	(121,405)
Increase/(decrease) in creditors	8,834	325,037
Net cash provided by / (used in) Operating Activities	642,523	1,240,226

21 Cash Flows from Financing Activities

	2018 £	2017 £
Repayments of borrowing	(159,992)	(159,992)

22 Cash Flows from Investing Activities

	2018 £	2017 £
Dividends, interest and rents from investments	4,909	7,190
Purchase of tangible fixed assets	(231,086)	(459,224)
Purchase of intangible fixed assets	(9,188)	-
Capital grants from DfE / ESFA	44,545	44,545

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)**23 Analysis of Cash and Cash Equivalents**

	At 1 September 2017	Cash flows	At 31 August 2018
	£	£	£
Cash in hand and at bank	1,865,231	291,711	2,156,942

24 Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 as stated in Article 8 of the Articles of Association for the debts and liabilities contracted before he/she ceases to be a member.

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)**25 Pension and Similar Obligations**

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

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

Contributions amounting to £114,708 (2017: £108,722) were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme**Introduction**

The Teachers' Pension Scheme 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 Gap) 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 on 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Gap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost gap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2.0% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £561,012 (2017: £555,856).

A copy of the valuation report and supporting documentation is on the [Teachers' Pension website](#)

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

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

25 Pension and Similar Obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2018 was £523,886 (2017: £426,210), of which employer's contributions totalled £423,756 (2017: £349,723) and employees' contributions totalled £98,000 (2017: £76,487). The agreed contribution rates for future years are 24.9% for employers with effect from 1st April 2019 and a variable % for employees dependant on the salary of individuals as follows:

Annual Salary	Contribution Rate
£0 - £13,700	5.50%
£13,701 - £21,400	5.80%
£21,401 - £34,700	6.50%
£34,701 - £43,900	6.80%
£43,901 - £61,300	8.50%
£61,301 - £86,800	9.90%
£86,801 - £102,200	10.50%

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.

Principal Actuarial Assumptions

	At 31 August 2018	At 31 August 2017
	p.a.	p.a.
Rate of increase in salaries	2.60%	2.70%
Rate of increase for pensions in payment/inflation	2.30%	2.40%
Discount rate for scheme liabilities	2.80%	2.50%
Inflation assumption (CPI)	2.40%	2.40%
Commutation of pensions to lump sums	25.00%	25.00%

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

	At 31 August 2018	At 31 August 2017
<i>Retiring today</i>		
Males	21.9	21.9
Females	24.4	24.4
<i>Retiring in 20 years</i>		
Males	23.9	23.9
Females	26.4	26.4

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

25 Pension and Similar Obligations (continued)

	At 31 August 2018	At 31 August 2017
Sensitivity analysis		
Discount rate -0.5%	16	(15)
Salary rate 0.5%	3	(4)
Pension Rate +0.5%	13	(11)

The academy's share of the assets in the scheme were:

	Fair value at 31 August 2018	Fair value at 31 August 2017
	£	£
Equities	1,530,160	1,251,200
Corporate bonds	666,360	386,400
Property	246,800	184,000
Cash and other liquid assets	24,680	18,400
Total market value of assets	2,468,000	1,840,000

The actual return on scheme assets was £52,000 (2017: £50,000).

Amounts recognised in the statement of financial activities

	2018	2017
	£	£
Current service cost	(677,000)	(536,000)
Interest income	52,000	32,000
Interest cost	(102,000)	(84,000)
Total amount recognised in the SOFA	(727,000)	(588,000)

Changes in the present value of defined benefit obligations were as follows:

	2018	2017
	£	£
At 1 September	3,707,000	3,690,000
Current service cost	677,000	536,000
Interest cost	102,000	84,000
Employee contributions	98,000	76,000
Actuarial (gain)/loss	(516,000)	(677,000)
Benefits paid	(4,000)	(2,000)
At 31 August	4,064,000	3,707,000

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

	2018	2017
	£	£
At 1 September	1,840,000	1,335,000
Interest income	52,000	32,000
Actuarial gain/(loss)	52,000	50,000
Employer contributions	430,000	349,000
Employee contributions	98,000	76,000
Benefits paid	(4,000)	(2,000)
At 31 August	2,468,000	1,840,000

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)**26 Related Party Transactions**

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted in accordance with the trust's financial regulations and normal procurement procedures. Payment to West Suffolk College and ACER for services and resources have been provided at no more than cost and both suppliers have provided statements of assurance confirming this.

During the year three of the five members of the Suffolk Academies Trust were Governors of the West Suffolk College Corporation. West Suffolk College also owns the freehold of the site that One Sixth Form College is located on and this property was leased to the SAT for 125 years commencing 1 September 2015. One Sixth Form College paid a sum of £80,000 relating to rent to West Suffolk College for the year (2017: £80,000). The year-end liability is £1,360,000 (2017: £1,440,000).

The Principal and Vice Principal Finance and Resources provide the services of Chief Executive/Accounting Officer and Chief Financial Officer respectively. In addition the clerk to the West Suffolk College Corporation provides services to the Academy Trust. These services are charged for via a service level agreement approved by both parties and any other charges between West Suffolk College and the SAT are in line with the requirements of related party transactions as set out in the Academies Financial Handbook. One Sixth Form College paid a sum of £64,268 in respect of the Service Level Agreement with West Suffolk College for the year (2017: £73,987).

In addition £3,441.35 has been paid to West Suffolk College for resources and a sum of £14,424.11 has been received from West Suffolk College for hiring a kitchen (£11,674.11) and a STEM Project (£2,750) (2017: nil).

There is a Service Level Agreement in place between the SAT and ACER. This is for services provided for a Project Manager for the Bury St Edmunds VI form, Abbeygate. A sum of £45,031.56 has been paid in respect of this for the year (2017: £34,898.32).

In addition £1,027.20 has been paid to ACER for CPD.

27 Agency Arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the year the trust received £199,251 (2017: £191,705) and disbursed £187,863 (2016: £186,530) from the fund. An amount of £21,029.62 (2016: £9,642) is included in other creditors relating to undisturbed funds.

The Academy Trust acts as an agent in distributing the SWISS Partnership monies. In the year the Academy Trust received £nil (2017: £141,691) and disbursed £49,415.29 (2017: £23,570). An amount of £68,706 (2017: £118,121) is included in other creditors.