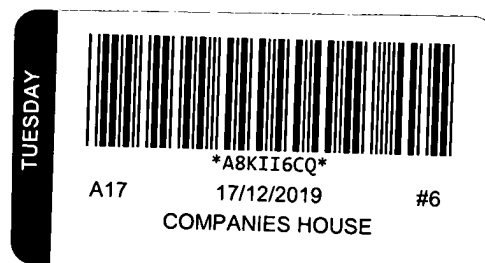


Company Registration Number: 10199461 (England & Wales)

**THE DOVE ACADEMY TRUST**  
(A Company Limited by Guarantee)

**Annual Report and Financial Statements**

**For the year ended 31 August 2019**



**THE DOVE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**THE DOVE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**Reference and Administrative Details**

**Members**

Stuart Bain, Bishop of Durham representative  
Area Deanery representative  
Richard Thorndyke, Diocesan Board of Finance representative  
Paul Rikeard, Diocese of Durham Educational Trust  
Craig Alderson - Chair of Directors

**Directors**

C R Alderson, Chair<sup>1</sup>  
Dr J L Steel, Vice Chair<sup>1</sup>  
W Aitken, Executive Headteacher<sup>1</sup>  
K Alley  
Rev D J Bage  
Rev D J Railton (resigned 31 March 2019)  
M Stand  
Prof. T J U Thompson (appointed 27 September 2018)  
R Tweddle<sup>1</sup>

<sup>1</sup> Members of Finance and Audit Committee

**Company registered number**

10199461

**Company name**

The Dove Academy Trust

**Principal and registered office**

High Coniscliffe CE Primary School  
Ulnaby Lane  
High Coniscliffe  
Darlington  
Co Durham  
DL2 2LL

**Company secretary**

C Broadbent

**Senior leadership team**

W Aitken, Executive Headteacher  
K Boyce, Head of School  
M Joyeux, Head of School  
C Broadbent, School Business Manager  
S McTimoney, SENDCo  
C Toner, Deputy Head of School

**THE DOVE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**Reference and Administrative Details (continued)**  
**For the year ended 31 August 2019**

**Independent auditors**

Clive Owen LLP  
Chartered Accountants  
Statutory Auditors  
140 Coniscliffe Road  
Darlington  
Co Durham  
DL3 7RT

**Bankers**

Lloyds Bank plc  
21-23 Northgate  
Darlington  
Co Durham  
DL1 1TL

**Solicitors**

Muckle LLP  
Time Central  
32 Gallowgate  
Newcastle Upon Tyne  
NE1 4BF

**THE DOVE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**Directors' Report**  
**For the year ended 31 August 2019**

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Dove Academy Trust includes High Coniscliffe CE Primary School and St Mary's CE Primary School, both based in Darlington. The schools admit pupils aged 4 to 11 and have a combined capacity of 315 with 299 on roll in the school census in January 2019.

## **Structure, Governance and Management**

### **Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Directors of The Dove Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Dove Academy Trust.

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

### **Members' Liability**

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

### **Directors' Indemnities**

The academy has purchased insurance to protect Directors from claims arising against negligent acts, errors or omissions occurring whilst on academy business.

### **Method of Recruitment and Appointment or Election of Directors**

The members appoint a minimum of seven Directors, including the Executive Headteacher. Member appointed Directors, with the consent of the Diocesan Board of Education, may appoint up to four co-opted Directors. The term of office for any Director is 4 years, except in the case of the Executive Headteacher or co-opted Director which will be determined by the Board of Directors. Subject to remaining eligible to be a particular type of Director, any Director may be re-appointed or re-elected.

### **Policies and Procedures Adopted for the Induction and Training of Directors**

The training and induction provided for new Directors depends on their existing experience. Where necessary induction and training is provided on charity, educational, legal and financial matters. All new Directors are given a tour of the academy and the chance to meet with staff and students. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors. Induction tends to be done informally and is tailored specifically to the individual.

Directors undertake termly training with themes which reflect areas for development in the annual self-review. Alongside this an annual skills audit is used to prioritise further areas for development and succession planning as well as to identify the skills required when attracting new Directors.

**THE DOVE ACADEMY TRUST**  
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**Directors' Report (continued)**  
**For the year ended 31 August 2019**

**Organisational Structure**

During the year the academy continued to operate a unified management structure. The Structure consists of: the Members, the Directors, the Finance and Audit Committee, the Christian Character Committee, the Local Academy Councils, and the Senior Leadership team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The trust's Scheme of Delegation along with the Local Academy Councils' Terms of Reference makes clear the delegated responsibility for decision making within the academy. The School Development Plan makes clear the Directors' key priorities for the year and how progress will be monitored and recorded.

The Executive Headteacher is the Accounting Officer for the academy. The trust's Business Manager is the Finance Officer.

The Chair of the Board of Directors and the Executive Headteacher plan the work of the Board along with the academy's governance partner.

The Senior Leadership Team consists of the Executive Headteacher, the Head of School from High Coniscliffe CE Primary School, the Head of School from St Mary's Cockerton CE Primary School, the Deputy Head of School from St Mary's Cockerton CE Primary School, the Trust Business Manager and the Special Educational Needs and Disability Co-ordinator (SENDCo). The Scheme of Delegation makes clear the decisions delegated to the Executive Headteacher. The Senior Leadership Team is responsible for the day to day operation of the academy particularly in relation to teaching and learning, wellbeing and policy implementation.

**Arrangements for setting pay and remuneration of key management personnel**

Performance Management arrangements are robust with the Executive Headteacher reporting to the Board annually. The Performance Management of the Executive Headteacher is completed by two Directors with an external assessor.

The pay structure is consulted on with all staff annually and follows the guidance of teachers' pay and conditions. Staff objectives reflect the trust's priorities for the year and captured in the School Development Plans.

**Related Parties and other Connected Charities and Organisations**

The Dove Academy Trust consists of two primary schools – High Coniscliffe CE Primary School and St Mary's Cockerton CE Primary School.

The trust is not related to any other charities.

**THE DOVE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**Directors' Report (continued)**  
**For the year ended 31 August 2019**

**Objectives and Activities**

**Objects and Aims**

The Company's object ('the objects') is specifically restricted to the following:

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

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

b) to promote for the benefit of the inhabitants of the areas which the academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants subject at all times to any restrictions contained within any trusts applying to the land held by the Company.

In accordance with the articles of association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with emphasis on science, outdoor education and vocational subjects and their practical applications.

Each school within the trust has its own Mission Statement:

**High Coniscliffe CE Primary School**

We promote a Christian ethos through the commandments Jesus taught: to love God and to love one another. We strive to promote Christian values of friendship, thankfulness, justice, hope and endurance.

We celebrate that there is something wonderful and unique in every person and encourage in children a sense of awe and wonder about the world.

We encourage high aspirations and self-worth by motivating, nurturing and valuing every individual, striving to prepare them for life's opportunities and challenges. This is why 'I can if I try' is our school motto.

We may be a small school but we are a great big family taking an active role in our local community and the wider world.

**THE DOVE ACADEMY TRUST**  
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**Directors' Report (continued)**  
**For the year ended 31 August 2019**

**St Mary's Cockerton CE Primary School**

The school is distinguished by its Christian foundation and the principles that flow from this. The school is committed to developing the full potential of its pupils as individuals – spiritually, emotionally and academically.

We exert no pressure to believe, yet Christian values are built into our ethos and teaching whilst respecting other world faiths. Spiritual development forms an integral part of school life and collective worship is an essential part of the school day.

We strive to forge strong links between school, home and the local community. We aim to display a high quality of care and understanding to the school community.

**Objectives, Strategies and Activities**

The main objectives of the academy trust during the year ended 31 August 2019 are summarised below:

- a. Each school in the trust is judged as at least good by Ofsted
- b. End of Key Stage results (attainment and progress) are consistently higher than national results in all areas
- c. Attendance is above the national average
- d. Children move onto to the next stage of their education as confident, compassionate, aspirational and eager individuals
- e. Engagement and partnership with families and communities fosters high expectations and ambitious goals
- f. Staff are supported and developed to meet career goals
- g. Efficient and targeted allocation of funding ensures staff, services and resources have the highest impact and create positive outcomes

The activities undertaken to achieve these objectives are all intended to provide the highest quality of education in the public sector for students between the ages of 4 and 11. The Executive Headteacher and Heads of School draw on each school's development plans to prioritise specific improvements for each individual school. Progress towards each plan is reviewed by each school's Local Academy Council.

**Public Benefit**

The academy's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Directors have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Directors have considered this guidance in deciding what activities the academy trust should undertake.



**THE DOVE ACADEMY TRUST**  
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**Directors' Report (continued)**  
**For the year ended 31 August 2019**

**Strategic Report**

**Achievements and Performance**

**Current Ofsted ratings:**

High Coniscliffe CE Primary School: Outstanding (June 2008)

St Mary's Cockerton CE Primary School: In May 2019 the first short inspection carried out since the predecessor school was judged to be good in October 2014 led to no change to the school's current overall effectiveness grade of good.

**Early Years Foundation Stage (EYFS)**

Children are defined as meeting a Good Level of Development (GLD) if, at the end of EYFS, they achieve at least the expected level in the Early Learning Goals (ELGs) in the prime areas of learning (personal, social and emotional development, physical development and communication and language) and the ELGs in the specific areas of mathematics and literacy.

High Coniscliffe	77%
St Mary's Cockerton	74%

**Phonics Screening Check**

**Year 1**

Phonics Screening Check - working above the threshold (32/40)

High Coniscliffe	75%
St Mary's Cockerton	83%

**Year 2**

Phonics Screening Re-check – working above the threshold (32/40)

High Coniscliffe	50%
St Mary's Cockerton	100%

**End of Key Stage One Teacher Assessment**

Working at the expected standard (EXS)

	Reading	Writing	Maths
High Coniscliffe	87%	73%	73%
St Mary's Cockerton	76%	76%	72%

**End of Key Stage Two Test Results**

Working at the expected standard (EXS)

	Reading	Writing TA	GPS	Maths
High Coniscliffe	87%	87%	93%	87%
St Mary's Cockerton	68%	70%	70%	67%

Reading, Writing, Maths Combined Score (expected standard)

High Coniscliffe	80%
St Mary's Cockerton	53%

**THE DOVE ACADEMY TRUST**  
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**Directors' Report (continued)**  
**For the year ended 31 August 2019**

**Strategic Report (continued)**

**Achievements and Performance (continued)**

End of Key Stage Two Progress

	Reading	Writing	Maths
High Coniscliffe	+0.98	0.0	0.97
St Mary's Cockerton	-2.46	-2.34	-2.53

**Key Performance Indicators**

Total revenue income per pupil	£5,596
Total GAG income per pupil	£4,425
Staff costs per pupil (excluding LGPS and agency costs)	£4,504
Total revenue costs per pupil	£5,605
Staff costs (excluding LGPS and agency costs) as % total revenue cost	80%
Staff costs (excluding LGPS and agency costs) as % total revenue income	80%
Pupil to teacher ratio	23
Net current assets/income	0.15
Pupils	299
Teachers	13

**Key aspects to celebrate are:**

- The percentage of teachers with at least one period of sickness absence is significantly below the national average
- The percentage of children at High Coniscliffe achieving the high standard in the KS2 GPS test was significantly above the national and in the highest 20% of schools
- The gap between the average reading and writing scaled scores for not FSM6 and FSM children reduced in 2019 at St Mary's Cockerton
- Although remaining below the national average, the percentage of children achieving the expected standard across reading, writing and maths at St Mary's Cockerton was in line with the previous year (both double that of 2017)

**Key aspects to address are:**

Across the trust:

- Attainment and progress of Pupil Premium children
- Overall absence

Specifically for St Mary's Cockerton:

- Reading progress decline between 2018 and 2019 to within the lowest 20% of schools
- Key Stage Two writing progress has been in the lowest 20% of schools for the last 3 years
- EYFS attainment and Key Stage Two maths progress was in the lowest 20% of schools in 2019 as was the last 3 year's average attainment

Specifically for High Coniscliffe:

- Number of children achieving greater depth in reading, writing and maths

**THE DOVE ACADEMY TRUST**  
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**Directors' Report (continued)**  
**For the year ended 31 August 2019**

**Strategic Report (continued)**

**Going Concern**

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, 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**

Most of the academy's income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also receives grants for fixed assets from the DfE/ESFA. In accordance with The Charities SORP (FRS102), 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 2019, total expenditure of £1,802,000 was in excess of recurrent grant funding from the DfE/ESFA together with other incoming resources. The excess of expenditure over income for the year (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £106,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academies objectives.

At 31 August 2019 the net book value of fixed assets was £550,000 and movements in tangible fixed assets are shown in note 13 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of the LGPS pensions scheme, resulting in a deficit of £1,009,000 recognised on the balance sheet.

The academy trust held fund balances at 31 August 2019 of £(209,000) comprising £594,000 restricted fixed asset funds, £(1,009,000) restricted pension reserve deficit £64,000 restricted general funds and £142,000 of unrestricted funds.

**Reserves Policy**

There are a number of constraints placed upon academies in terms of financial management. One of these constraints is the inability to borrow funds. This constraint represents a key risk to the Dove Academy Trust in relation to financial planning and monitoring.

One of the ways in which the trust mitigates this risk is through the effective management of reserves, which provide alternative temporary funding streams should there be a delay in grant receipts or a sudden unforeseen increase in expenditure.

Setting a reserves policy helps inform the way in which the trust manages its cash, liquid assets and debt.

The financial risks have been reviewed in terms of impact and likelihood as part of the strategic risk management process. The main financial risk to the academy trust is that of managing its short-term cash flow effectively. To mitigate this risk, it has been agreed that an appropriate minimum reserves balance would equate to 4 weeks' worth of expenditure, both in terms of salaries and invoices. In broad terms this would equate to approximately £115,000. The level of reserves is reviewed by the Directors regularly throughout the

**THE DOVE ACADEMY TRUST**  
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**Directors' Report (continued)**  
**For the year ended 31 August 2019**

**Strategic Report (continued)**

**Reserves Policy (continued)**

year. The minimum level of reserves for the ongoing needs of the academy trust is reviewed by the Directors on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The academy trust's current level of free reserves are in surplus by £142,000 and therefore are considered to be above the level of reserves required for the ongoing needs of the academy trust.

The ESFA are able set limits on the sum of GAG that can be carried forward from one year to the next. There are currently no limits in place as at August 2019.

The DfE does expect academy trusts to use their allocated funding for the full benefit of their current pupils. Therefore, the academy trust will not build up a substantial surplus without having in place a clear plan for how it will be used to benefit our pupils.

**Investment Policy**

The Dove Academy Trust operates an interest bearing current account with a bank approved by the Board of Directors (currently Lloyds) and maintain sufficient balances to ensure there are adequate liquid funds to cover all immediate and forthcoming financial commitments, including maintaining a sufficient contingency for unexpected payments.

Monies surplus to the working requirements shall be invested in low risk term deposits with the current banker or with another UK institution regulated by the Financial Conduct Authority or the Prudential Regulation Authority.

The academy trust will not take out any long term deposits until reliable cash flow patterns have been established.

**Principal Risks and Uncertainties**

The academy trust's policy is to adopt best practice in the identification, evaluation and effective control of risks to ensure they are managed to an acceptable level. It is acknowledged that some risks will always exist and will never be eliminated.

The Board of Directors are responsible for making a statement on risk management in the annual accounts of The Dove Academy Trust. In order to be able to make the required statement with reasonable confidence the Directors ensure that:

- The identification, assessment and mitigation of risk is linked to the achievement of The academy trust's vision and strategic goals as set out in the Development Plan;
- The process covers all areas of risk, e.g. governance and management, operational, financial, reputational and external factors and is focused primarily on major risks
- The process produces a risk exposure profile that reflects the Directors' views as to levels of acceptable risk;
- The principal results of risk identification are reviewed, evaluated and managed; and ensure that the risk management is ongoing and embedded in management and operation procedure.

The Academy's Senior Leadership Team (SLT) has responsibility for ensuring that the risk management policy is implemented and for coordinating risk management activity across the academy trust.

The process of risk identification involves both Directors and the SLT. The assessment of each risk takes into consideration the control measures currently in place to manage the risk. The controls identified are assessed to determine whether they are an appropriate mitigation of the risks identified.

**THE DOVE ACADEMY TRUST**  
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**Directors' Report (continued)**  
**For the year ended 31 August 2019**

**Principal Risks and Uncertainties (continued)**

Any risks requiring treatment are recorded in a risk register. The risk register is reviewed termly by SLT and the Board of Directors to ensure that risks are identified and that appropriate controls and responses are in place.

Outlined below are those current risk factors with the highest grading on the Risk Register that may impact on the academy trust:

- Educational performance of school fails
- Income reduction / balances become low
- Planned Admission Number (PAN) not met
- Loss of key members within the governance structure of the academy trust

Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The academy trust has fully implemented the requirements of the Safe Recruitment procedures and all staff have received training in this area in addition to training on Child Protection.

The academy is subject to a number of risks and uncertainties in common with other academies. The academy trust has in place procedures to identify and mitigate financial risks.

**Plans for Future Periods**

The Board of Directors is currently exploring a range of options to develop the academy trust. Increasing the number of school within the trust is being actively explored and planned residential housing developments in the areas near both schools within the trust could have a significant impact and require consideration for expansion and/or relocation.

**Funds Held as Custodian Director on Behalf of Others**

There are no funds held as Custodian Director on behalf of others.

**THE DOVE ACADEMY TRUST**  
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**Directors' Report (continued)**  
**For the year ended 31 August 2019**

**Auditor**

Insofar as the Directors are aware:

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

Clive Owen LLP were appointed as auditors from 1st October 2016 for a three-year period which ends on 31st August 2019.

Directors' report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on 27 November 2019 and signed on the Board's behalf by:



Craig Alderson  
Chair  
Board of Directors

Date: 27 November 2019

**THE DOVE ACADEMY TRUST**  
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**Governance Statement**

**Scope of responsibility**

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

The Board of Directors has delegated the day-to-day responsibility to the Executive Headteacher, 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 The Dove Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The board of Directors has formally met four times during the year. The Board met less than six times due to clearly established committees/portfolio groups of Directors who can deal with specific areas of responsibility, following robust terms of reference.

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

Director	Meetings attended	Out of a possible
C R Alderson, Chair	3	4
Dr J L Steel, Vice Chair	3	4
W Aitken, Executive Headteacher	3	4
K Alley	4	4
Rev D J Bage	4	4
Prof. T J U Thompson (appointed 27 September 2018)	3	4
M Stand	1	4
Rev D J Railton (resigned 31 March 2019)	0	3
R Tweddle	4	4

Directors have established a Finance and Audit Committee, Christian Character Committee and a Local Academy Council for each academy. These committees are all committees of the Board but have different membership rules. The scheme of delegation identifies the delegated responsibilities assigned to these committees in order to ensure that matters can be dealt with in appropriate detail and with sufficient frequency.

**The Finance and Audit Committee**

The purpose of this committee is to assist the decision making of the Board of Directors, by enabling more detailed consideration to be given to the best means of fulfilling the trust Board's responsibility to ensure sound management of the trust's finances and resources, including proper planning, monitoring and probity. To make appropriate comments and recommendations on such matters to the Board of Directors on a regular basis.

Staff employed by the trust should not be members of this committee, but may attend to provide information and participate in discussions. The Executive Headteacher in their role as Accounting Officer and the Chief Financial Officer (Business Manager) will normally attend meetings of the Committee.

Three members must be present for meetings to be quorate, with the majority present being Directors. Responsibilities of the committee are as follows:

1. Oversight of the day-to-day operation of the Academy Finances for each school within the trust, with due regard for the requirements of the Academies Financial Handbook and the Academy Funding agreement
2. To consider the trust's funding, notified annually by the ESFA, and to assess its implications for the trust, in consultation with the Executive Headteacher, in advance of the financial year, drawing any matters of

**THE DOVE ACADEMY TRUST**  
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**Governance Statement (continued)**

**Governance (continued)**

- significance or concern to the attention of the Board of Directors.
3. To consider and apportion individual school's funding to each Local Academy Council within the trust with due regard to the supplementary funding agreement for each school and the Academies Financial Handbook.
  4. To consider and recommend acceptance/non-acceptance of the budget for each academy within the trust, before the start of each financial year.
  5. To contribute to the formulation of the each academy's development plan, through the consideration of financial priorities and proposals, in consultation with the Leadership Teams, with the stated and agreed aims and objectives of each academy.
  6. To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the development plan.
  7. To receive reports from the Business Manager in order to monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the trust and each academy, and with the financial regulations of the ESFA drawing any matters of concern to the attention of the Board of Directors.
  8. To monitor and review procedures for ensuring the effective implementation and operation of financial management on a regular basis, including the implementation of bank account arrangements and, where appropriate, to make recommendations for improvement.
  9. To prepare the financial statements for filing in accordance with Companies Act and ESFA requirements.
  10. To receive auditors' reports and to recommend to the Board of Directors action as appropriate in response to audit findings.
  11. To recommend to the Board of Directors the appointment or reappointment of the auditors of the trust.

The specific audit related duties of the Committee shall be to:

- Review the trust's internal and external financial statements and reports to ensure that they reflect best practice.
- Discuss with the external auditor the nature and scope of each forthcoming audit and to ensure that the external auditor has the fullest co-operation of staff.
- Provide assurance to the Board of Directors that risks are being adequately identified and managed by reviewing the risks to internal financial control at the trust; and agreeing a programme of work to address and provide assurance on, those risks.
- Ensure that the trust's internal assurance service meets, or exceeds, the standards specified in the Academies Financial Handbook.
- Consider internal assurance reports, including value-for-money reports and the arrangements for their implementation.
- The outcome of audit work should inform the governance statement that accompanies the trust's annual accounts and, so far as is possible, provide assurance to the external auditors.
- Consider any other matters where requested to do so by the Board; and report at least once a year to the Board on the discharge of the above duties.

Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
C R Alderson (appointed 4 February 2019)	2	2
Dr J L Steel (appointed 4 February 2019)	2	2
W Aitken, Executive Headteacher (appointed 4 February 2019)	2	2
R Tweddle, chair (appointed 4 February 2019)	2	2
D French, vice chair (appointed 4 February 2019)	2	2
R Grayson (appointed 4 February 2019)	2	2



**THE DOVE ACADEMY TRUST**  
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**Governance Statement (continued)**

**Governance (continued)**

**The Local Academy Councils (LACs)**

The purpose of this committee is to:

- Determine school level policies which reflect the school's ethos and values to include e.g. admissions; SEND; safeguarding and child protection; curriculum; and behaviour
- Engagement with stakeholders
- Determine school's vision and strategy, agreeing key priorities and key performance indicators (KPIs) against which progress towards achieving the vision can be measured
- Determine school staffing structure
- Agree auditing and reporting arrangements for matters of compliance (e.g. safeguarding, Health and Safety, employment)
- Agree reporting arrangements for progress on key priorities
- Ensure robustness of benchmarking and academy value for money
- Setting and review of the curriculum
- Standards achieved and pupils attending
- Review of admissions policy
- Extended school agenda

Each Local Academy Council have 12 members comprising the following:

- VA converter 7 foundation (6 appointed by DBE/DYET and 1 Incumbent ex officio)
- VC converter 3 foundation (2 and 1 above)
- VC converter 4 appointed by Board
- 1 elected staff member
- 2 elected parents of registered pupils in the academy
- Executive Headteacher - an ex officio member of the Local Academy Council
- 1 Co-opted member

**The Christian Character Committee (CCC)**

The purpose of this committee is to:

- Uphold the Christian character of the trust's foundation
- Ensure that the Christian character of the school's foundation permeates all aspects of its work
- Review RE and Collective Worship policies
- Monitor and attend acts of collective worship
- Support the evaluation of the school's Anglican nature using any published materials, including National Society materials
- Help the school prepare for denominational inspections using SIAMS documentation
- Ensure familiarity with the school's religious education syllabus and to monitor standards in RE
- Attend relevant training and disseminate this to Directors and school staff
- Liaise with the parish churches

The Chair, members and clerk of the CCC are appointed by the MAT Board. There is a member of the Board other than its Chair. The committee consists of 3 Directors, the Executive Headteacher and 2 members appointed from each Local Academy Council.

**THE DOVE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**Governance Statement (continued)**

**Review of value for money**

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

- Successfully applying for external grants (for example £2500 through The Foyle Foundation to invest in reading materials, £2,800 grant for maintenance of external teaching areas)
- Identifying opportunities to obtain value for money in terms of services across both schools in the trust
- Review of the staffing structure to ensure appropriate provision across the trust
- Early identification of children with specific needs to ensure receipt of additional funding through the high needs block
- Continuous review of the provision for and progress of children in receipt of pupil premium funding
- Targeted allocation of the PE and Sports Funding Grant

**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 The Dove Academy Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Directors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

**The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors
- regular reviews by the Finance and Audit 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

**THE DOVE ACADEMY TRUST**  
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**Governance Statement (continued)**

**The risk and control framework (continued)**

The Board of Directors has considered the need for a specific internal audit function and has decided to appoint Clive Owen LLP as the external auditor, to perform additional checks.

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

- Regularity
- Payroll
- Purchases
- Accounting system
- Expenses and petty cash
- Finance Policy
- Directors meeting minutes
- Income
- VAT
- Corporation tax
- Directors' declarations of interests
- Directors' meeting minutes
- Information Technology
- Fixed Assets
- Directors' appointments and resignations

On a termly basis, the auditor reports to the Board of Directors on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

**Review of effectiveness**

As accounting officer, the Executive Headteacher 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 assurance provider
- the work of the external auditor
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the Board of Directors on 27 November 2019 and signed on their behalf by:



C R Alderson  
Chair  
Board of Directors



W Aitken  
Accounting Officer

**THE DOVE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**Statement on Regularity, Propriety and Compliance**

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

I confirm that I and the academy trust Board of Directors are able to identify any material irregular or improper use of all 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 2018.

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



W Aitken  
Accounting Officer  
Date: 27 November 2019

**THE DOVE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**Statement of Directors' responsibilities**  
**For the year ended 31 August 2019**

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

Company law requires the Directors to prepare financial statements for each financial period. Under company law the Directors 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 Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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 Directors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Directors on 27 November 2019 and signed on its behalf by:



C R Alderson  
Chair  
Board of Directors

**THE DOVE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**Independent Auditors' Report on the financial statements to the Members of The Dove Academy Trust**

**Opinion**

We have audited the financial statements of The Dove Academy Trust (the 'academy trust') for the period ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 2018 to 2019 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 2019 and of its incoming resources and application of resources, including its income and expenditure for the period 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 2018 to 2019 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors 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.

**THE DOVE ACADEMY TRUST**  
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**Independent Auditors' Report on the financial statements to the Members of The Dove Academy Trust**  
**(continued)**

**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Directors' Report including the Strategic Report, and the Governance Statement. 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.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Directors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of 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 Directors' Report including the Strategic Report.

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

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

**THE DOVE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**Independent Auditors' Report on the financial statements to the Members of The Dove Academy Trust**  
**(continued)**

**Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement, the Directors (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 Directors 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 Directors are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

**Auditors' 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 Auditors' 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.



**THE DOVE ACADEMY TRUST**  
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**Independent Auditors' Report on the financial statements to the Members of The Dove Academy Trust**  
**(continued)**

**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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Kevin Shotton BA FCA (Senior Statutory Auditor)

for and on behalf of  
**Clive Owen LLP**

Chartered Accountants  
Statutory Auditors

140 Coniscliffe Road  
Darlington  
Co Durham  
DL3 7RT

27 November 2019

**THE DOVE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to The Dove Academy Trust and the Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated 19 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Dove Academy Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of The Dove Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Dove Academy Trust's funding agreement with the Secretary of State for Education dated 22 September 2016 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**THE DOVE ACADEMY TRUST**  
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**Independent Reporting Accountant's Assurance Report on Regularity to The Dove Academy Trust and the Education & Skills Funding Agency (continued)**

**Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Review documentation provided to Directors and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Directors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Review whistleblowing procedures;
- Review pay policy and factors determining executive pay;
- Review of staff expenses;
- Review other income to ensure is in line with funding agreement;
- Review governance structure and number of meetings held; and
- Review whether there is a risk register in place.

**THE DOVE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to The Dove Academy Trust and  
the Education & Skills Funding Agency (continued)**

**Conclusion**

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



**Clive Owen LLP**

Reporting Accountant  
140 Coniscliffe Road  
Darlington  
Co Durham  
DL3 7RT

Date: 27 November 2019

**THE DOVE ACADEMY TRUST**  
(A Company Limited by Guarantee)

**Statement of financial activities (incorporating income and expenditure account)**  
**For the year ended 31 August 2019**

		Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
	Note					
<b>Income from:</b>						
Donations and capital grants	3	3	-	28	31	12
Charitable activities		46	1,596	-	1,642	1,655
Other trading activities		28	-	-	28	14
<b>Total income</b>		<b>77</b>	<b>1,596</b>	<b>28</b>	<b>1,701</b>	<b>1,681</b>
<b>Expenditure on:</b>						
Charitable activities		77	1,702	23	1,802	1,698
<b>Total expenditure</b>		<b>77</b>	<b>1,702</b>	<b>23</b>	<b>1,802</b>	<b>1,698</b>
<b>Net (expenditure)/income</b>		<b>-</b>	<b>(106)</b>	<b>5</b>	<b>(101)</b>	<b>(17)</b>
Transfers between funds	17	(2)	-	2	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>(2)</b>	<b>(106)</b>	<b>7</b>	<b>(101)</b>	<b>(17)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	22	-	(256)	-	(256)	114
<b>Net movement in funds</b>		<b>(2)</b>	<b>(362)</b>	<b>7</b>	<b>(357)</b>	<b>97</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		144	(583)	587	148	51
Net movement in funds		(2)	(362)	7	(357)	97
<b>Total funds carried forward</b>		<b>142</b>	<b>(945)</b>	<b>594</b>	<b>(209)</b>	<b>148</b>

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 31 to 55 form part of these financial statements.

**THE DOVE ACADEMY TRUST**  
(A Company Limited by Guarantee)

**Balance Sheet**  
**As at 31 August 2019**

	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Tangible assets	13	550	564
		<u>550</u>	<u>564</u>
<b>Current assets</b>			
Stocks	14	4	4
Debtors	15	48	44
Cash at bank and in hand		308	240
		<u>360</u>	<u>288</u>
Creditors: amounts falling due within one year	16	(110)	(54)
<b>Net current assets</b>		<u>250</u>	<u>234</u>
<b>Total assets less current liabilities</b>		<u>800</u>	<u>798</u>
<b>Net assets excluding pension liability</b>		<u>800</u>	<u>798</u>
Defined benefit pension scheme liability	22	(1,009)	(650)
<b>Total net assets</b>		<u>(209)</u>	<u>148</u>
<b>Funds of the academy trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	17	594	587
Restricted income funds	17	64	67
		<u>658</u>	<u>654</u>
Restricted funds excluding pension asset	17	658	654
Pension reserve	17	(1,009)	(650)
<b>Total restricted funds</b>	17	<u>(351)</u>	<u>4</u>
<b>Unrestricted income funds</b>	17	142	144
<b>Total funds</b>		<u>(209)</u>	<u>148</u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

**THE DOVE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**Balance Sheet (continued)**  
**As at 31 August 2019**

The financial statements on pages 27 to 55 were approved by the Directors, and authorised for issue on 27 November 2019 and are signed on their behalf, by:



C R Alderson  
Chair  
Board of Directors

The notes on pages 31 to 55 form part of these financial statements.

**THE DOVE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**Statement of Cash Flows**  
**For the year ended 31 August 2019**

	Note	2019 £000	2018 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	50	60
<b>Cash flows from investing activities</b>	20	18	10
<b>Change in cash and cash equivalents in the period</b>		68	70
Cash and cash equivalents at the beginning of the period		240	170
<b>Cash and cash equivalents at the end of the period</b>	21	<u>308</u>	<u>240</u>

The notes on pages 31 to 55 form part of these financial statements



**THE DOVE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**1. 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.

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Dove Academy Trust meets the definition of a public benefit entity under FRS 102.

**1.2 Going concern**

The Directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the 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.

The reported share of the LGPS deficit at the Balance Sheet date has a significant impact on the restricted funds, however the Directors would draw attention to the cash reserves held by the academy trust. Also being a trust containing a faith school, the building occupied is not reflected on the Balance Sheet as described further in accounting policy 2. This has a direct impact on the academy trust's reported net asset position.

**THE DOVE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**1. Accounting policies (continued)**

**1.3 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 year is deducted from income and recognised as a liability.

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

**– 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 year it is receivable and to the extent the academy trust has provided the goods or services.

**1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

**– 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.

**1.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**THE DOVE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**1. Accounting policies (continued)**

**1.6 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.

**1.7 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 related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on the following bases:

Long-term leasehold land	- Over 125 years
Long-term leasehold property	- Over 50 years
Furniture and equipment	- Over 7 years
Computer equipment	- Over 3 years

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

**1.8 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.9 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.10 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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**Notes to the Financial Statements**  
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**1. Accounting policies (continued)**

**1.11 Liabilities and provisions**

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 are recognised when the academy 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.

**1.12 Pensions**

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1.13 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 Department for Education Group.

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**2. 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation – Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £23,000.

Critical areas of judgement:

There are two recent court cases which could impact on the future liabilities associated with the LGPS scheme, McCloud Sargeant (McCloud) and GMP Indexation and Equalisation (GMP).

McCloud

In 2015 the government introduced reforms to public sector pensions resulting in most public sector workers being transferred to a new scheme. In December 2018, the Court of Appeal ruled that the 'transitional protections' offered to some members of the judges and firefighter schemes as part of the reforms amounted to unlawful discrimination. While the judgement was not in relation to the LGPS it is reasonable to expect that it will need to be applied to this scheme by the government. Actuaries have estimated that the additional liabilities associated with this to be around 3-4% of active liabilities. As this has been considered to be potentially material to the financial statements an estimate of the approximate costs have been included within the pension liability as it was excluded from the actuarial valuation. This estimate has been based on the relative impact on other employers in the County Durham LGPS. This has increased the LGPS liability by £50,000 as at 31 August 2019.

GMP

This case related to the equalisation for men and women of guaranteed minimum pension (GMP) for those who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled that equalisation of GMP was required. This case was in relation to Lloyds Bank and HM Treasury have since gone on record to state public sector schemes have a method to equalise GMP already. There is however some judgement in how this equalisation works and is reflected in the LGPS valuations. Actuaries have estimated that the impact of GMP indexation to be around 0.3% of total liabilities. The actuary has accounted for it in the valuation report. This has increased the LGPS liability by £2,000 as at 31 August 2019.

Land – Land is held under a 125 year lease from Darlington Borough Council. These assets are included on the balance sheet of the academy due to the significant risks and rewards of ownership belonging to the academy, the lease term being the major part of the economic life of the assets and the assets being

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**2. Critical accounting estimates and areas of judgement (continued)**

of such a specialised nature that only the academy could use them without major modification.

**Buildings** – The building at High Coniscliffe is held under a 125 year lease with Darlington Borough Council. The building is included on the balance sheet of the academy trust due to the significant risks and rewards of ownership belonging to the academy trust, the lease term being the major part of the economic life of the asset and the asset being of such a specialised nature that only the academy could use it without major modification.

The building at St Mary's are owned by the Diocese of Durham. The academy occupies the buildings under a mere licence. The licence delegates aspects of the management of the buildings to the academy for the time being, but does not vest any rights over the buildings to the academy. The Diocese of Durham has given an undertaking to the Secretary of State that they will not give academy less than two years notice to terminate the occupation of the buildings. Having considered the factual matrix under which the academy is occupying the buildings the Directors have concluded that the value of the buildings occupied by the academy at the date of conversion to an academy will not be recognised on the balance sheet of the academy trust. In addition, whilst the occupation constitutes a donation in kind to the academy trust, the Directors consider that the cost of obtaining a valuation for such a donation outweighs the expense and therefore no such donation and related expense are included in the Statement of Financial Activities. Any additions since conversion funded by grant bids or from GAG will be capitalised as leasehold improvements and written off over their economic life.

**Valuation of property** - In the year ended 31 August 2017, at the time of signing the financial statements, the ESFA had not yet carried out a land and buildings valuation for the land and buildings at High Coniscliffe and the land at St Mary's. These were included using values based on other similar size schools in the local area.

There was a material difference arising between the value included in the accounts and the ESFA valuation. This was assessed and it was considered that no adjustment was required.

A third party valuation was considered but was not the Directors' preferred option since the cost of such an exercise was deemed to be greater than the benefit that would have been derived from it. The Directors were also aware that such a third party valuation could have been materially different to that provided by the ESFA and were concerned with regard to the treatment of any difference that may arise between the two valuations.

**3. Income from donations and capital grants**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Donations	3	-	3	-
Capital Grants	-	28	28	12
	<u>3</u>	<u>28</u>	<u>31</u>	<u>12</u>
Total 2018	<u>-</u>	<u>12</u>	<u>12</u>	

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**4. Funding for the academy trust's academy's educational operations**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
<b>Funding for the Academy Trust's educational operations</b>				
General Annual Grant (GAG)	-	1,323	1,323	1,349
Pupil Premium	-	114	114	111
PE Teacher Grant	-	35	35	35
UIFSM	-	43	43	48
Rates	-	7	7	8
Other DfE Group grants	-	15	15	-
	-	1,537	1,537	1,551
<b>Other government grants</b>				
SEN	-	50	50	38
Local Authority grants	-	2	2	8
	-	52	52	46
<b>Other funding</b>				
Non Government grants	-	7	7	10
Student Trips	14	-	14	13
Student Catering	32	-	32	35
	46	7	53	58
	46	1,596	1,642	1,655
<b>Total 2018</b>	48	1,607	1,655	

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**5. Income from other trading activities**

	Unrestricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Hire of facilities	7	7	7
Insurance claims	7	7	-
Other income	14	14	7
	<u>28</u>	<u>28</u>	<u>14</u>

In 2018, of the total income from other trading activities, £14,000 was to unrestricted funds and £NIL was to restricted funds.

**6. Expenditure**

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000	Total 2018 £000
Academy's educational operations:					
Direct costs	1,218	-	71	1,289	1,205
Allocated support costs	237	94	182	513	493
	<u>1,455</u>	<u>94</u>	<u>253</u>	<u>1,802</u>	<u>1,698</u>
Total 2018	<u>1,360</u>	<u>92</u>	<u>246</u>	<u>1,698</u>	

In 2019, of the total expenditure £77,000 (2018: £61,000) was to unrestricted funds, £1,702,000 (2018: £1,617,000) was to restricted funds and £23,000 (2018: £22,000) was to restricted fixed asset funds.

There were no individual transactions exceeding £5,000 for:

- Compensation payments
- Gift made by the academy trust
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

There were no ex-gratia payments in the period.



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**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**7. Analysis of expenditure by activities**

	Activities undertaken directly 2019 £000	Support costs 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Academy's educational operations	1,289	513	1,802	1,698
Total 2018	1,205	493	1,698	

**Analysis of direct costs**

	Total funds 2019 £000	Total funds 2018 £000
Staff costs	1,218	1,137
Educational supplies	58	52
Staff development	10	7
Educational consultancy	3	4
Supply insurance	-	5
	1,289	1,205

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**Notes to the Financial Statements**  
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**7. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	Total funds 2019 £000	Total funds 2018 £000
Net interest on pension cost	17	16
Staff costs	237	223
Depreciation	23	22
Technology costs	31	31
Maintenance of premises and equipment	30	16
Cleaning	6	6
Other premises costs	6	7
Energy	23	22
Rent & rates	13	19
RPA fees	6	6
Catering	28	31
Other insurance premiums	1	-
Operating lease rentals	2	2
Other costs	46	34
Governance costs	44	58
	<u>513</u>	<u>493</u>

**8. Net (expenditure)/income**

Net (expenditure)/income for the period includes:

	2019 £000	2018 £000
Operating lease rentals	2	2
Depreciation of tangible fixed assets	23	22
Fees paid to auditors for:		
- audit	7	7
- other services	3	3
	<u>32</u>	<u>32</u>

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**9. Staff costs**

**a. Staff costs**

Staff costs during the period were as follows:

	2019 £000	2018 £000
Wages and salaries	1,070	1,030
Social security costs	91	85
Pension costs	289	244
	<hr/> 1,450	<hr/> 1,359
Agency staff costs	5	1
	<hr/> 1,455	<hr/> 1,360

Included in pension costs is a charge of £86,000 ( 2018 : £48,000) in respect of the LGPS actuarial valuation.

**b. Staff numbers**

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

	2019 No.	2018 No.
Teachers	13	15
Administration & Support	37	37
Management	5	4
	<hr/> 55	<hr/> 56

**c. Higher paid staff**

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

	2019 No.	2018 No.
In the band £80,001 - £90,000	1	1

**d. Key management personnel**

The key management personnel of the academy trust comprise the Directors and the senior leadership team as listed on page 1. The total amount of employee benefits (including employer national insurance and employer pension contributions) received by key management personnel for their services to the academy trust was £383,000 (2018: £313,000).

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**10. Directors' remuneration and expenses**

One or more Directors has been paid remuneration or has received other benefits from an employment with the academy trust. The Executive Headteacher and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of Executive Headteacher and staff members under their contracts of employment. The value of Directors' remuneration and other benefits was as follows:

		2019 £000	2018 £000
W Aitken, Executive Headteacher	Remuneration	80 - 85	80 - 85
	Pension contributions paid	10 - 15	10 - 15

During the period ended 31 August 2019, no Director expenses have been incurred. (2018: None).

**11. Directors' and Officers' insurance**

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Directors 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 Directors and officers indemnity element from the overall cost of the RPA scheme.

**12. Central services**

The academy trust has provided the following central services to its academies during the period:

- Human Resources
- Financial Services
- Legal Services
- Education and Support Services; and
- Technology Support Services

The academy trust charges for these services on the following basis:

The central services costs incurred during the year were £49,000 (2018 : £49,000) and were split between the two different academies based on pupil numbers.

The actual amounts charged during the period were as follows:

	2019 £000	2018 £000
High Coniscliffe CE Primary School	18	18
St Mary's Cockerton CE Primary School	31	31
<b>Total</b>	<u>49</u>	<u>49</u>

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**13. Tangible fixed assets**

	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Total £000
<b>Cost or valuation</b>				
At 1 September 2018	563	10	33	606
Additions	-	5	5	10
Disposals	-	(1)	-	(1)
At 31 August 2019	563	14	38	615
<b>Depreciation</b>				
At 1 September 2018	19	2	21	42
Charge for the period	10	2	11	23
At 31 August 2019	29	4	32	65
<b>Net book value</b>				
At 31 August 2019	534	10	6	550
At 31 August 2018	544	8	12	564

**14. Stocks**

	2019 £000	2018 £000
Catering stock and stationery	4	4

**15. Debtors**

	2019 £000	2018 £000
VAT recoverable	7	12
Prepayments and accrued income	41	32
	48	44

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**16. Creditors: Amounts falling due within one year**

	2019 £000	2018 £000
Trade creditors	23	12
Other taxation and social security	23	-
Other creditors	25	-
Accruals and deferred income	39	42
	<u>110</u>	<u>54</u>
	<u>110</u>	<u>54</u>
	2019 £000	2018 £000
Deferred income at 1 September 2018	32	35
Resources deferred during the period	30	32
Amounts released from previous periods	(32)	(35)
	<u>30</u>	<u>32</u>
<b>Deferred income at 31 August 2019</b>	<u>30</u>	<u>32</u>

At the balance sheet date the academy trust holds funding received in advance in respect of free school meals and rates relief.

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**17. Statement of funds**

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
<b>Unrestricted funds</b>						
General Funds - all funds	144	77	(77)	(2)	-	142
<b>Restricted general funds</b>						
General Annual Grant (GAG)	49	1,323	(1,356)	-	-	16
Pupil Premium	-	114	(114)	-	-	-
Other DfE/ESFA Grants	16	100	(68)	-	-	48
SEN	-	50	(50)	-	-	-
Other Government grants	-	2	(2)	-	-	-
Other grants	2	7	(9)	-	-	-
Pension reserve	(650)	-	(103)	-	(256)	(1,009)
	<u>(583)</u>	<u>1,596</u>	<u>(1,702)</u>	<u>-</u>	<u>(256)</u>	<u>(945)</u>
<b>Restricted fixed asset funds</b>						
Inherited on conversion	560	-	(21)	-	-	539
Devolved Formula Capital	27	28	(2)	-	-	53
Insurance claims	-	-	-	2	-	2
	<u>587</u>	<u>28</u>	<u>(23)</u>	<u>2</u>	<u>-</u>	<u>594</u>
<b>Total Restricted funds</b>	<u>4</u>	<u>1,624</u>	<u>(1,725)</u>	<u>2</u>	<u>(256)</u>	<u>(351)</u>
<b>Total funds</b>	<u>148</u>	<u>1,701</u>	<u>(1,802)</u>	<u>-</u>	<u>(256)</u>	<u>(209)</u>

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**17. Statement of funds (continued)**

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

The General Annual Grant (GAG) must be used for the normal running of the academy including salaries and related costs, overheads, repairs and maintenance and insurance.

Pupil Premium is additional funding to be spent as the school sees fit to support deprived students.

Other DfE/ESFA grants includes UIFSM income to be used to provide free school meals to infants, rates relief, and other ESFA grants to be used for educational purposes.

Other Government grants include LAC funding from the Local Authority.

Other grants include funding received for projects within the academy trust.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 22.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful economic life of the associated assets.

A transfer of £2,000 has been made to restricted fixed asset funds to reflect those items included within fixed assets which have been purchased using unrestricted monies.

Unrestricted funds include the income from uniform sales, school trips and catering with the relevant costs allocated accordingly.

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

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019 £000	2018 £000
High Coniscliffe CE Primary School	94	81
St Mary's CE Primary School	112	130
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	206	211
Restricted fixed asset fund	594	587
Pension reserve	(1,009)	(650)
	<hr/>	<hr/>
<b>Total</b>	<b>(209)</b>	<b>148</b>
	<hr/> <hr/>	<hr/> <hr/>



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**Notes to the Financial Statements**  
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**17. Statement of funds (continued)**

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2019 £000	Total 2018 £000
High Coniscliffe CE Primary School	454	87	27	102	670	660
St Mary's CE Primary School	764	150	31	164	1,109	1,016
<b>Academy trust</b>	<b>1,218</b>	<b>237</b>	<b>58</b>	<b>266</b>	<b>1,779</b>	<b>1,676</b>

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**17. Statement of funds (continued)**

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

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
<b>Unrestricted funds</b>					
General Funds - all funds	143	62	(61)	-	144
<b>Restricted general funds</b>					
General Annual Grant (GAG)	10	1,349	(1,310)	-	49
Pupil Premium	-	111	(111)	-	-
SEN	-	38	(38)	-	-
Other DfE/ESFA grants	1	91	(76)	-	16
Other Government grants	-	8	(8)	-	-
Other grants	-	10	(8)	-	2
Pension reserve	(700)	-	(64)	114	(650)
	(689)	1,607	(1,615)	114	(583)
<b>Restricted fixed asset funds</b>					
Inherited on conversion	581	-	(21)	-	560
Devolved Formula Capital	16	12	(1)	-	27
	597	12	(22)	-	587
<b>Total Restricted funds</b>	(92)	1,619	(1,637)	114	4
<b>Total funds</b>	51	1,681	(1,698)	114	148

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**18. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	550	550
Current assets	142	174	44	360
Creditors due within one year	-	(110)	-	(110)
Provisions for liabilities and charges	-	(1,009)	-	(1,009)
<b>Total</b>	<b>142</b>	<b>(945)</b>	<b>594</b>	<b>(209)</b>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	564	564
Current assets	144	121	23	288
Creditors due within one year	-	(54)	-	(54)
Provisions for liabilities and charges	-	(650)	-	(650)
<b>Total</b>	<b>144</b>	<b>(583)</b>	<b>587</b>	<b>148</b>

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**19. Reconciliation of net expenditure to net cash flow from operating activities**

	2019 £000	2018 £000
Net expenditure for the year (as per Statement of Financial Activities)	(101)	(17)
<b>Adjustments for:</b>		
Loss on disposal	1	-
Depreciation	23	22
Capital grants from DfE and other capital income	(28)	(12)
Defined benefit pension scheme cost less contributions payable	86	48
Defined benefit pension scheme finance cost	17	16
(Increase)/decrease in debtors	(4)	6
Increase/(decrease) in creditors	56	(3)
<b>Net cash provided by operating activities</b>	<b>50</b>	<b>60</b>

**20. Cash flows from investing activities**

	2019 £000	2018 £000
Purchase of tangible fixed assets	(10)	(2)
Capital grants from DfE Group	28	12
<b>Net cash provided by investing activities</b>	<b>18</b>	<b>10</b>

**21. Analysis of cash and cash equivalents**

	2019 £000	2018 £000
Cash in hand	308	240
<b>Total cash and cash equivalents</b>	<b>308</b>	<b>240</b>

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**22. Pension commitments**

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

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

**Teachers' Pension Scheme**

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

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

**Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

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**22. Pension commitments (continued)**

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the period amounted to £109,000 (2018 - £99,000).

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

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

**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 2019 was £118,000 (2018 - £122,000), of which employer's contributions totalled £94,000 (2018 - £97,000) and employees' contributions totalled £ 24,000 (2018 - £25,000). The agreed contribution rates for future years are 19% for employers and 5.5 - 8.5% for employees.

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**

	2019 %	2018 %
Rate of increase in salaries	3.60	3.50
Rate of increase for pensions in payment/inflation	2.10	2.00
Discount rate for scheme liabilities	1.90	2.80
Inflation assumption (CPI)	2.10	2.00
Commutation of pensions to lump sums	80.00	80.00

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	22.3	23.3
Females	23.8	25.0
<i>Retiring in 20 years</i>		
Males	24.0	25.5
Females	25.7	27.3

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**22. Pension commitments (continued)**

**Sensitivity analysis**

	2019 £000	2018 £000
Discount rate +0.1%	1,911	1,407
Discount rate -0.1%	1,996	1,470
Mortality assumption - 1 year increase	1,887	1,397
Mortality assumption - 1 year decrease	2,020	1,479
CPI rate +0.1%	1,976	1,455
CPI rate -0.1%	1,930	1,421
	<u>1,930</u>	<u>1,421</u>

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

	At 31 August 2019 £000	At 31 August 2018 £000
Equities	501	382
Corporate bonds	116	103
Property	72	54
Cash and other liquid assets	50	52
Government bonds	255	197
<b>Total market value of assets</b>	<u>994</u>	<u>788</u>

The actual return on scheme assets was £90,000 (2018 - £29,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £000	2018 £000
Current service cost	(128)	(145)
Past service cost	(52)	-
Interest income	24	18
Interest cost	(41)	(34)
<b>Total amount recognised in the Statement of Financial Activities</b>	<u>(197)</u>	<u>(161)</u>

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**22. Pension commitments (continued)**

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

	2019 £000	2018 £000
<b>Opening defined benefit obligation</b>	1,438	1,368
Current service cost	128	145
Interest cost	41	34
Employee contributions	24	25
Actuarial losses/(gains)	322	(103)
Benefits paid	(2)	(31)
Past service costs	52	-
<b>Closing defined benefit obligation</b>	<u>2,003</u>	<u>1,438</u>

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	2019 £000	2018 £000
<b>Opening fair value of scheme assets</b>	788	668
Interest income	24	18
Actuarial gains	66	11
Employer contributions	94	97
Employee contributions	24	25
Benefits paid	(2)	(31)
<b>Closing fair value of assets</b>	<u>994</u>	<u>788</u>

**23. Operating lease commitments**

At 31 August 2019 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £000	2018 £000
<b>Amounts Payable</b>		
Within 1 year	2	1
Later than 1 year and not later than 5 years	7	-
	<u>9</u>	<u>1</u>



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**24. Related party transactions**

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

No related party transactions took place in the period of account, other than certain Directors' remuneration and expenses already disclosed in note 10.