

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

Mr M Delap
Mr I Clarkson
Mr A Peters
Mr M Dorsett
Ms R Cook (resigned)

Trustees

Dr R Barnes, Chair
Mr A Arnott (resigned 15 October 2018)
Mr P Clegg, (Caterpillar Inc.) Responsible Officer
Mr M Potter, (Co-opted)
Mrs J Taylor, Chief Executive
Dr M Gross
Mrs K Bretten, (Co-opted) (resigned 10 October 2018)
Mr G Perkins (resigned 14 September 2017)
Mr I Wigston, (Co-opted)
Mr S J Smith, (Co-opted)
Mr S Rehman, (Co-opted)
K Peck, (Co-opted) (appointed 10 October 2018)

Company registered number

05090788

Company name

Thomas Deacon Education Trust

Principal and registered office

Queen's Gardens, Peterborough, Cambridgeshire, PE1 2UW

Company secretary

Mr S J Smith

Chief executive officer

Mrs J Taylor

Executive group

Mrs J Taylor, Chief Executive
Mr S J Smith, Director of Resources
Mr S Hudson, Director of Secondary Education
Mr S Martin, Director of Primary Education

Independent auditors

MHA MacIntyre Hudson, Equipoise House, Grove Place, Bedford, MK40 3LE

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018

Advisers (continued)

Bankers

Lloyds Bank, 65 High Street, Stamford, PE9 2AT

Solicitors

Browne Jacobson Solicitors, Mowbray House, Castle Meadow Road, Nottingham, NG2 1BJ

THOMAS DEACON EDUCATION TRUST
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REPORT OF THE MAT BOARD
FOR THE YEAR ENDED 31 AUGUST 2018

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

During the year, Thomas Deacon Education Trust was renamed and registered at Companies House as Thomas Deacon Education Trust ("the Trust"). The Trust operates 4 academies for pupils aged 4-19 serving a catchment area in Peterborough, Cambridgeshire. One school includes on-site nursery provision making the age range of children supported through the Trust as 0-19. At the start of the year, the Trust consisted of three academies, with Upwood Primary Academy joining the Trust in August 2018. The Trust now has 4,130 pupils on roll with a capacity of 4,990.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's Articles of Association is the primary governing document of the Trust. Members of the charitable company are nominated by either the Secretary of State for Education or by Caterpillar Inc. or the Thomas Deacon Foundation Trust, designated sponsors of the predecessor school, as identified in the Articles.

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.

Trustees' indemnities

As disclosed in note 13 professional indemnity insurance is paid on behalf of the Trustees and officers of the Trust.

Board of Trustees

The Board of Trustees (MAT Board) are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation.

Trustees are not subject to retirement by rotation. They are appointed for fixed periods and are eligible for re-election at the meeting at which they retire.

The Trustees, who were in office at 31 August 2018, and served throughout the year, except where shown, are listed on page 1.

During the year under review the MAT Board held 4 regular meetings.

New Trustees

Under the terms of the Trust's funding agreement and articles, Trustees are appointed as follows:

- up to 5 Trustees, appointed through ordinary resolution by the Members;
- a minimum of 2 Parent Trustees elected or appointed under Articles 53-56 in the event that no Local Governing Bodies are established under Article 100a or if no provision is made for at least 2 Parent Local

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REPORT OF THE MAT BOARD (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Governors on each established Local Governing Body pursuant to Article 101A. The two principal sponsors each appoint two Trustees

- The Board retains the right to appoint other Trustees as it deems fit dependent on need. Any new co-opted member of the MAT Board must be confirmed at a full meeting of the board.

Policies and procedures adopted for the induction and training of trustees

All Trustees receive continual training to ensure their understanding of the issues involved.

Induction training for new members of the MAT Board is provided on charity, educational, legal and financial matters.

Organisational structure

The structure of TDET consists of following levels:

- MAT Board, including the Chief Executive
- Finance Committee, including the Director of Resources
- Education Committee (established January 2018)
- Academy Committees (formerly Local Governing Bodies)
- Executive Group

Each Academy has its own leadership team who are responsible for managing the day to day activity and progress of the academy.

An aim of the management structure is to distribute responsibility and encourage involvement in decision making at all levels, through a clear scheme of delegation.

The MAT Board is responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust by the use of budgets and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The Executive Group are the Chief Executive, Director of Secondary Education, Director of Primary Education and the Director of Resources as described on page 1. These leaders control the Trust at an executive level, implementing the policies laid down by the MAT Board and reporting back to them. As a group, the Executive Group are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Academy Leadership Team often contain a Trustee. Some spending control is devolved to members of the Academy Leadership Team, with limits above which a member of the Executive Group must countersign.

Academy Leadership Teams vary according to the size and phase of the Academy but normally consist of the Principal, the Vice Principal and any Deputy Vice Principals. These managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

Pay policy for key management personnel

The Trust operates a pay policy that outlines the approach of pay progression for all staff. Pay for the Chief Executive is recommended by the Chair of the MAT Board. Each Principal's pay is recommended by the Chief Executive and agreed by the Finance Committee. For each Academy Leadership Team, any salary progression is recommended by the appropriate Principal and agreed through the Academy Committee but based on salary increases approved through the Finance Committee. The policy for all standard pay award and any associated performance pay, follow a consistent approach across all staff, including executives, and in line with the pay policy.

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REPORT OF THE MAT BOARD (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Trade Union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	4
Full-time equivalent employee number	4
Percentage of time spent on trade union facility time	Number of employees
Less than 1%	< 1%

A member of teaching and support staff act as union representative for school staff. Trade Union Facility Time is granted as part of their role in school for approximately 1% of their working time in school. The related cost is negligible in the context of the school budget and significantly less than 1% the school's total pay bill of £20m.

Related parties and other connected charities and organisations

Subsidiary company

The Trust owns 100% of the issued ordinary shares of TDA Development Ltd., a company incorporated in England (registration no. 06435213). In the year to 31 August 2018 the subsidiary achieved a profit of £4,084 all of which was gifted under covenant to the Academy. Further details regarding the subsidiary company are given in note 33 to the financial statements.

Connected organisations

Caterpillar Inc. and the Thomas Deacon Foundation Trust are sponsors to The Thomas Deacon Academy, and now TDET, and since the Academy's founding have donated £2 million to assist the Academy in achieving its objectives.

TDET has an ongoing arrangement with IQRA Academy, an independent all-girls Muslim Faith Academy in Peterborough. No formal arrangement has been agreed, but IQRA works with the Trust on a range of initiatives where there are common purposes for the benefit of our students.

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REPORT OF THE MAT BOARD (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal object and activity of the charitable company is the operation of TDET by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum ("the mainstream Academies") or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies").

In accordance with the Articles of Association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education and Skills. 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 an emphasis on science and technology and their practical applications.

The main objectives of TDET during the year ended 31 August 2018 are summarised below:

- to ensure that every child enjoys the same high-quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all students;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements; and
- to conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.

Objectives, strategies and activities

The Trust's main strategies are based around 6 key themes:

1. Literacy
2. Learning
3. Leadership
4. Recruitment and Retention
5. Health and Safety
6. Financial Performance

Academy Improvement Plans and other Business Plans are focused on these areas to support the delivery of the main objectives.

Public benefit

In setting objectives and planning activities, the MAT Board have paid due regard to the published guidance from the Charity Commission on the operation of the Public Benefit requirement under the Charities Act 2011.

Equal opportunities policy

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled persons

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REPORT OF THE MAT BOARD (continued)
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Lifts, ramps and disabled toilets are installed, and door widths are adequate to enable wheelchair access to all the main areas of each Academy. The policy of the Trust is to support recruitment and retention of students and employees with disabilities. The Trust does this by adapting the physical environment, by making support resources available and through training and career development.

STRATEGIC REPORT

Achievements and performance

This reporting period represents the first full academic year of TDET and it has established a strategic framework from which each Academy, and the Trust itself, delivers within. During the year, we have seen some excellent progress within our Academies and the central support team are embedded to deliver efficiencies within all Academies in the Trust.

Thomas Deacon Academy (TDA)

TDA continues to improve and some key outcomes are included below. During the year, TDA built an extension to its South Entrance, increasing the school footprint by some 1000 square metres. On final completion, the space will improve the dining standards for all students, staff and visitors; respond to the Academy well-being agenda by providing professional learning and break out space for teachers and other staff; and enable sixth form students to carry out their own study in the main academy building.

Key Outcomes:

- Consistency of attainment within English and Maths and across the basics measure. Improvement in the proportion of students who are achieving a grade 5 or above in both English and Maths (up by 4% to 37%).
- 70% of students within TDA have left the Academy with a pass grade in an English qualification.
- Results in Sciences have improved considerably with 53% of students achieving two 4-9 passes in Science subjects (compared to 39% A*-C last year)
- In the Sixth Form, TDA achieved a 97% pass rate in BTEC subjects.
- Success in Spanish, English Literature, Art and Design, Further Maths, Religious Studies, Geography, PE and French, where over 25% of students achieved an A* or an A.

Thomas Deacon Academy, Junior Phase (TDAJ)

This was the first full year where TDAJ has the full cohort of children, with Year 6 opening in September 2017 giving the first set of SAT results for the Academy.

Key Outcomes:

- There was an increase in the number of pupils achieving ARE since September- over 40% in all subjects.
- Targeting of maths B1 (border line) pupils- 73% of those pupils achieved a standardised score of 100 or more.
- 17% of pupils achieved greater depth for maths and 23% for reading.
- In reading, 71% of those targeted for greater depth achieved this.

Queen Katharine Academy

In September 2017, Queen Katharine Academy opened with its new school name (previously known as the Voyager Academy), complete rebranding and new uniform for students, 8 months after the school joined TDET. Response to the changes have been positive from all stakeholders as the school continues on its improvement journey with more success across subject areas.

Key Outcomes:

- **GCSE**
 - o The improvements in leadership and teaching and learning are now showing impact upon pupil outcomes. Key measures in both attainment and progress improved on the 2017 position,

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- representing significant and sustained development and these improvements were across nearly all aspects of the curriculum.
- o Grades 9-5 in English and mathematics increased by 5% to 18.1%, with particularly improvements in mathematics, increasing from 17.7% to 22.2%.
- o Overall progress 8 score improved by 0.36 to -0.55.
- o Progress scores improved for all key sub groups including disadvantaged pupils and those with High Prior Attainment – which were 2 key focus groups for the Academy.
- **Post 16**
 - o The Academy continues to build upon its success at sixth form with another set of outstanding results, placing the Academy as one of the highest performing sixth forms in the city.
 - o At A level the number of A*- B grades increased from 30% to 43%; and A*-C 67% to 75%.
 - o The proportion of students achieving three A-levels increased from 62% to 77%.
 - o Value added scores for the sixth form are expected to be very high when validated, placing the performance in the highest 10% across the country.

Gladstone Primary Academy (GPA)

During the year, GPA became its own admissions authority offering some certainty to the cohort of children within the school throughout the academic year and to process admissions quicker.

Key Outcomes:

- Good Level of Development measure increased by 12%
- Core cohort in phonics 64% passed the screening
- Progress measures in KS2 are above floor, with significant improvement in reading progress scores.
- Read, Write, Ink programme fully embedded within the school with improved results expected next year.

Upwood Primary Academy (UPA)

UPA joined TDET in August 2018 although joint working was happening throughout the year.

Key Outcomes:

- A new approach and offer of 'over learning' resulted in KS2 results exceeding predicted targets in Year 6
- 100% Pupil Premium children achieved ARE in Reading and Maths.

Inspection and external validation

No formal Ofsted inspections were carried out during 2017/18 and the existing categories of each school remains. Some internal reviews, supported and facilitated with external expertise, were carried out during the year and have been considered by the Senior Leadership Teams and the Education Committee

Going concern

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

FINANCIAL REVIEW

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

The Trust also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of

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Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), 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.

The Trust held fund balances at 31 August 2018 of £37,048,000 comprising £43,276,000 of restricted funds, a surplus of £440,000 of unrestricted general funds and a pension reserve deficit of £6,668,000.

During the year ended 31 August 2018, total expenditure of £24,426,000 was fully covered by recurrent grant funding from the ESFA together with other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed asset funds) was £1,754,000 of which £962,000 was directly attributable to FRS 17 adjustments and £166,000 contribution by income funds to meet the shortfall in capital funding.

At 31 August 2018 the net book value of fixed assets was £41,698,000 and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

The Trust has obtained a full actuarial valuation of the pension liability under FRS17 in respect of its administrative staff pension scheme, for each of its academies. During the year Thomas Deacon Education Trust incurred an decrease of its pension liability of £1,403,000 resulting in an overall deficit of £6,668,000.

Reserves policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. In 2017/18 the Trustees have now determined that the appropriate level of unringfenced reserves should be equivalent to 5% of total income of the Trust, which equates to approximately £1.4m. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Trust's current level of free reserves (total funds less the amount held in ringfenced funds) is a surplus of £1,838,000 which is in line with that needed.

Material investments policy

The Trust has an approved investment policy which covers the appropriate use of surplus funds. The Chief Executive and the MAT Board have overall responsibility for the security and management of funds. The day-to-day management of the treasury function is controlled by the Director of Resources.

The Director of Resources will liaise with the Finance Committee in relation to strategy, status and market conditions.

The Chair of the Finance Committee will liaise with the Board for approval of any changes to strategy and to provide an update on investments.

The Trust's has a guiding principle for ethical investments.

The Trust will operate an interest-bearing current account with a bank or building society approved by the Board and maintain a balance in that account of £680,000, immediate and forthcoming financial commitments and sufficient contingency for unexpected payments.

Monies surplus to the working requirements shall be invested in a number of accounts in the name of the Trust with the approved institutions authorised by the MAT Board. These may be higher interest-bearing accounts operated by the same bank that the Trust operates its current account with, or an alternative approved institution. The Director of Resources will ensure that funds are invested in fixed term blocks to ensure the maximum return whilst maintaining the necessary working capital. The Director of Resources is not permitted to

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make more than four (4) transfers per calendar month without the approval of the Finance Committee.

Principal risks and uncertainties

The MAT Board have a comprehensive risk management process to identify and monitor the risks faced by the Trust. The key areas identified are; Vision, Ethos and Strategic Direction; Educational Performance; Legal / Statutory Duties; and Financial Performance. A point scoring mechanism is in place with greater emphasis directed towards those identified higher risk areas. The MAT Board believe that the major risks that the Trust is currently facing relate to medium term funding issues as a result of a lower than planned pupil cohort while continuing to provide school improvement support for academies in the Trust.

Risk management

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the transfer in of new academies into the Trust. A full due diligence process is applied to mitigate these risks. Other specific risks, particularly those relating to teaching, provision of facilities and other operational areas of the Trust, and its finances. The Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Deficit

The Trust's share of the LGPS valuation, as determined by the actuary, is a total deficit of £6,668,000. The Trust continues to pay the recommended contribution to the scheme, as detailed in note 23. The scheme does not give rise to an immediate liability.

Fundraising

Throughout the school year, students are encouraged to fundraise to support a number of charities and organisations as part of their interest and involvement in the local and wider community. In 2017/18, students have raised money through cake sales, sponsored events, mufti days to support organisations.

The Parent Teacher Association raise funds at events during the year and a donation was made to the school to support the purchase of equipment for our outdoor play area.

No academy in the Trust work with any professional fundraisers. The trustees monitor all fundraising.

PLANS FOR FUTURE PERIODS

Future developments

A key priority for the Trust is to continue its path of incremental and sustainable improvement in educational outcomes in all our Academies.

A review of the curriculum will be implemented next year that will deliver a curriculum suitable for all our students, and will represent value for money by adopting Integrated Curriculum Financial Planning principles.

During 2018/19, the Trust is expected to welcome two new Primary Schools into the Trust, increasing the total number of schools to 6. The Trust also plans to review its long-term aspirations and revisit its strategic intentions to ensure long term improvement for all its academies, increase pupil numbers where able and to

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maintain financial sustainability through growth. Trustees are also committed to developing strategic alliances with other Multi Academy Trusts to help build capacity and share good practice and resources where appropriate.

Risk management will play an increased focus with greater emphasis on both the Strategic and Operational risk profiles. The introduction of a health and safety professional will support risk analysis and mitigation at an operational level.

Funds held as custodian

No such funds are held by The Trust.

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal Opportunities Policy
- Volunteers' Policy
- Health & Safety Policy

In accordance with the Trust's Equal Opportunities Policy, the Trust has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

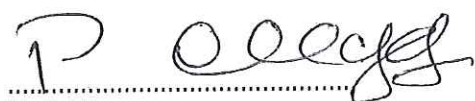
Full details of these policies are available from the Trust's offices.

DISCLOSURE OF INFORMATION TO AUDITORS

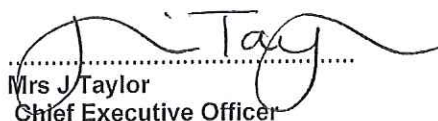
Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable Group's auditors are aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the MAT board, as the company directors, on 14/12/2018 and signed on its behalf by:



Mr P Clegg
Chair of Finance Committee



Mrs J Taylor
Chief Executive Officer

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that the 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 MAT board has delegated the day-to-day responsibility to the Chief Executive,, 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 Trust and the Secretary of State for Education. They are also responsible for reporting to the MAT board any material weaknesses or breakdowns in internal control.

GOVERNANCE

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

Trustee	Meetings attended	Out of a possible
Dr R Barnes, Chair	4	4
Mr A Arnott	4	4
Mr P Clegg, (Caterpillar Inc.) Responsible Officer	4	4
Mr M Potter, (Co-opted)	2	4
Mrs J Taylor, Chief Executive	3	4
Dr M Gross	3	4
Mrs K Bretten, (Co-opted)	2	4
Mr I Wigston, (Co-opted)	4	4
Mr S J Smith, (Co-opted)	4	4
Mr S Rehman, (Co-opted)	4	4

The Finance and General Purposes Committee is a sub-committee of the main MAT board. Its purpose is to oversee finance, personnel, premises, health and safety and ICT strategy.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr Paul Clegg, Chair	4	4
Dr Mike Gross	3	4
Mr Allan Arnott	4	4
Mr S J Smith	4	4

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GOVERNANCE STATEMENT (continued)

The Education Committee is also a sub-committee of the MAT board. Its purpose is to oversee educational strategy, outcomes and performance in each of the Academies.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Louise Soden, Chair	3	3
Dr Richard Barnes	3	3
Mrs Julie Taylor	2	3
Dr Mike Gross	2	3
Mr Mark Potter	2	3

Each Academy facilitates its own Academy Committee, which has been established to scrutinise education improvement and to hold the Principal to account on all educational matters.

Evaluation

The MAT Board carry out continual self-evaluation and training, including completing the financial management and governance self-assessment. Training is carried out by both specialist staff within the Trust and external providers to ensure Trustees are fully briefed on all issues affecting the performance of their duties.

REVIEW OF VALUE FOR MONEY

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

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

Improving educational results: Examination results have continued to improve year on year

Targeted improvement: Staffing has been re-structured to ensure that staffing is deployed to support an improved curriculum. Full accountability and responsibility is built into this structure.

Focus on individual pupils: Outcomes have improved for students on Free School Meals, Pupil Premium and those with English as an additional language

Collaboration: The Trust has engaged with other educational providers, including other Multi Academy Trusts, and experts to share delivery or good practice, and to drive up standards for the least cost. This includes working with a range of schools across the Peterborough Partnership of Secondary Schools; a mix of Local Authority maintained schools and academies, including academy chains. A small number of consultants were used to further support improvement in key areas of literacy and numeracy across the year groups.

New initiatives: A successful MDIF bid was made that provides additional funding for initiatives targeting children in receipt of Pupil Premium support and to enhance management information for the Trust.

Better purchasing: A register of all services and contracts been developed and all contracts are appraised or renegotiated in a timely manner to get the best mix of quality and effectiveness.

Three-year contracts have been entered to ensure reduced cost where it was felt that this would benefit the trust. Some services have been terminated with external providers as the expertise is now available in the Trust.

The Trust benchmarks itself against other comparative organisations using information supplied by the Education and Skills Funding Agency and auditor benchmarking information.

GOVERNANCE STATEMENT (continued)

Options appraisal: The MAT Board and Executive Group apply the principles of best value when making decisions about:

- the allocation of resources to best promote the aims and values of the school.
- the targeting of resources to best improve standards and the quality of provision.
- the use of resources to best support the various educational needs of all pupils.

The Trust has developed procedures for assessing need and obtaining goods and services which provide “best value” in terms of suitability, efficiency, time, and cost. Measures in place include:

- competitive tendering procedures
- procedures for accepting “best value” quotes, which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship)
- procedures which minimise office time by the purchase of goods or services under £1,000 direct from known, reliable suppliers (e.g. stationery, small equipment).

Economies of scale: The Trust regularly takes opportunities to work collaboratively with others to reduce and share administration and procurement costs. Business Services have been centralised as part of developing the Trust realising financial savings to support the academies. Procurement is now being consolidated and contracts being entered into where value for money can be achieved.

Better income generation: Opportunities have been taken to explore and generate additional and reliable revenue streams. Additional income is generated by releasing Senior Leadership Team time to support other schools not formally in the Trust to undertake school improvement work. The Trust looks to maximise income from external facilities hire through a marketing campaign and aligning resources across the academies. Work continues to expand the level of income from using our assets.

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 ongoing process designed to identify and prioritise the risks to the achievement of 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 Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

A Financial Governance and Management Self-Assessment was completed during the year, offering assurance to the Finance Committee of the control framework that the Trust has in place.

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

The 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

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

- which are reviewed and agreed by the MAT board;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The MAT board has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Mr P Clegg, a Trustee, to carry out a programme of internal checks.

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

- Accounting systems, including reconciliations
- Payroll
- Purchases

REVIEW OF EFFECTIVENESS

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

- the work of the reviewer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the MAT board on 18 December 2018 and signed on their behalf, by:


.....
Mr P Clegg
Chair of Finance Committee


.....
Mrs J Taylor
Chief Executive Officer

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2018

As Accounting Officer of Thomas Deacon Education Trust I have considered my responsibility to notify the academy trust MAT Board 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 MAT Board and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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


.....
Mrs J Taylor
Chief Executive Officer

Date: 18/12/18

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable Group'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 MAT board and signed on its behalf by:



Mr P Clegg
Chair of Finance Committee



Mrs J Taylor
Chief Executive Officer

Date: 18/12/2018

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
THOMAS DEACON EDUCATION TRUST**

OPINION

We have audited the financial statements of Thomas Deacon Education Trust (the 'parent academy') and its subsidiaries (the 'group') for the year ended 31 August 2018 which comprise the Group Consolidated Statement of Financial Activities incorporating Income and Expenditure Account, the Group Consolidated Balance Sheet, the Group Consolidated 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 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

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

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
THOMAS DEACON EDUCATION TRUST**

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 Trustees' Report including the Group Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Group 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 Group and the parent Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Group 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:

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

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent Academy or to cease operations, or have no realistic alternative but to do so.

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
THOMAS DEACON EDUCATION TRUST**

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. This description forms part of our Auditors' Report.

USE OF OUR REPORT

This report is made solely to the Academy'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'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 and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Atul Kariya FCCA (Senior Statutory Auditor)
for and on behalf of

MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
Equipoise House
Grove Place
Bedford
MK40 3LE
Date: 18/12/2018

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THOMAS DEACON EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 14 June 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Thomas Deacon Education Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF THOMAS DEACON EDUCATION TRUST'S AND THE REPORTING ACCOUNTANT

The is responsible, under the requirements of Thomas Deacon Education Trust's funding agreement with the Secretary of State for Education dated 4 April 2006, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the 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's income and expenditure.

The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Board of Trustees and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the School, with reference to the income streams and other information available to us as auditors of the School;

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THOMAS DEACON EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;
- evaluating the internal control procedures and reporting lines and testing as appropriate; and
- making enquiries of the accounting officer.

CONCLUSION

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

Matter 1 – Transaction with related party

During the year the Academy failed to comply with the Academies Financial Handbook 2017 section 3.2 The Trust transacted with a related party, Bright Field Consulting Limited, to deliver a leadership programme at a fee of £6,112. One of the trustees is a director and the beneficial owner of that company. Full details are included in note 19. The trustees were satisfied that the services offered were the best value for money following a review of tenders. However, the related party was unable to satisfy the at cost requirements.



Atul Kariya FCCA (Senior Statutory Auditor)

MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
Equipoise House
Grove Place
Bedford
MK40 3LE

18 December 2018

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted Funds 2018 £000	Restricted Funds 2018 £000	Restricted Fixed Asset Funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
INCOME FROM:						
Donations and capital grants	2	-	57	2,503	2,560	8,943
Charitable activities	3	-	23,237	-	23,237	20,559
Other trading activities	4	1,287	93	-	1,380	1,255
Investments	5	2	-	-	2	10
TOTAL INCOME		1,289	23,387	2,503	27,179	30,767
EXPENDITURE ON:						
Raising funds		876	-	-	876	569
Charitable activities		-	25,388	3,192	28,580	28,329
TOTAL EXPENDITURE	7	876	25,388	3,192	29,456	28,898
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	20	413 (251)	(2,001) 86	(689) 165	(2,277) -	1,869 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		162	(1,915)	(524)	(2,277)	1,869
Actuarial gains on defined benefit pension schemes	23	-	2,512	-	2,512	3,581
NET MOVEMENT IN FUNDS		162	597	(524)	235	5,450
RECONCILIATION OF FUNDS:						
Total funds brought forward		552	(5,961)	42,222	36,813	31,363
Prior year adjustment (Note 19)		(274)	274	-	-	-
TOTAL FUNDS CARRIED FORWARD		440	(5,090)	41,698	37,048	36,813

The notes on pages 29 to 57 form part of these financial statements.

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05090788

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2018

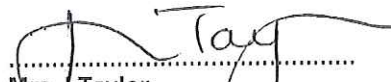
	Note	£000	2018 £000	As restated 2017 £000
FIXED ASSETS				
Tangible assets	14		41,698	42,222
CURRENT ASSETS				
Stocks	16	135		90
Debtors	17	984		747
Cash at bank and in hand		2,933		4,330
		<u>4,052</u>		<u>5,167</u>
CREDITORS: amounts falling due within one year	18	(2,034)		(2,505)
NET CURRENT ASSETS			<u>2,018</u>	<u>2,662</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>43,716</u>	<u>44,884</u>
Defined benefit pension scheme liability	23		<u>(6,668)</u>	<u>(8,071)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>37,048</u></u>	<u><u>36,813</u></u>
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted general funds	20	1,578		2,384
Restricted fixed asset fund	20	41,698		42,222
Restricted income funds excluding pension liability		<u>43,276</u>		<u>44,606</u>
Pension reserve		<u>(6,668)</u>		<u>(8,071)</u>
Total restricted income funds			<u>36,608</u>	<u>36,535</u>
Unrestricted income funds	20		<u>440</u>	<u>278</u>
TOTAL FUNDS			<u><u>37,048</u></u>	<u><u>36,813</u></u>

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

CONSOLIDATED BALANCE SHEET (continued)
AS AT 31 AUGUST 2018

The financial statements on pages 23 to 57 were approved by the Trustees, and authorised for issue, on 18/12/2018 and are signed on their behalf, by:


.....
Mr P Clegg
Chair of Finance Committee


.....
Mrs J Taylor
Chief Executive Officer

The notes on pages 29 to 57 form part of these financial statements.

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05090788

ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£000	2018 £000	£000	As restated 2017 £000
FIXED ASSETS					
Tangible assets	14		41,698		42,222
Investments	15		1		1
			<u>41,699</u>		<u>42,223</u>
CURRENT ASSETS					
Stocks	16	135		90	
Debtors	17	982		754	
Cash at bank and in hand		2,920		4,289	
		<u>4,037</u>		<u>5,133</u>	
CREDITORS: amounts falling due within one year	18	(2,019)		(2,472)	
NET CURRENT ASSETS			<u>2,018</u>		<u>2,661</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>43,717</u>		<u>44,884</u>
Defined benefit pension scheme liability	23		(6,668)		(8,071)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>37,049</u></u>		<u><u>36,813</u></u>
FUNDS OF THE ACADEMY					
Restricted Funds:					
Restricted general fund		1,578		2,384	
Restricted fixed asset fund		41,698		42,222	
		<u>43,276</u>		<u>44,606</u>	
Restricted funds excluding pension asset					
Pension reserve		(6,668)		(8,071)	
		<u></u>		<u></u>	
Total restricted general fund			36,608		36,535
Unrestricted funds			441		278
TOTAL FUNDS			<u><u>37,049</u></u>		<u><u>36,813</u></u>

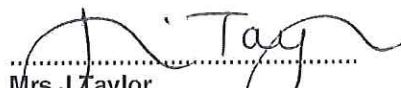
THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

ACADEMY BALANCE SHEET (continued)
AS AT 31 AUGUST 2018

The financial statements were approved by the Trustees, and authorised for issue, on 18/12/2018 and are signed on their behalf, by:



Mr P Clegg
Chair of Finance Committee



Mrs J Taylor
Chief Executive Officer

The notes on pages 29 to 57 form part of these financial statements.

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	26	<u>(1,229)</u>	<u>1,736</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		2	10
Purchase of tangible fixed assets		(316)	(233)
Capital grants from DfE Group		146	54
Capital funding received from sponsors and others		-	21
Net cash used in investing activities		<u>(168)</u>	<u>(148)</u>
Change in cash and cash equivalents in the year		(1,397)	1,588
Cash and cash equivalents brought forward		<u>4,330</u>	<u>2,742</u>
Cash and cash equivalents carried forward	27	<u>2,933</u>	<u>4,330</u>

The notes on pages 29 to 57 form part of these financial statements.

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

Thomas Deacon Education Trust is a company limited by guarantee, incorporated in England in the UK. The registered office is detailed on page 1.

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

There is a prior year adjustment to the financial statements, (note 21).

Thomas Deacon Education Trust constitutes a public benefit entity as defined by FRS 102.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Academy Trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

1.2 Basis of consolidation

The financial statements consolidate the accounts of Thomas Deacon Education Trust and all of its subsidiary undertakings ('subsidiaries').

The Academy Trust has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.

1.3 Going concern

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

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.5 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Upwood Primary School to the Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 28.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.6 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.

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

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

All expenditure is inclusive of irrecoverable VAT.

1.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised 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 Consolidated Statement of Financial Activities incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Consolidated Statement of Financial Activities incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, a transfer is made to the restricted fixed asset fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

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1. ACCOUNTING POLICIES (continued)

Long leasehold property	-	2% - 3.33%
Furnishings and fittings	-	10%
Furniture and equipment	-	20%
Computer equipment and software	-	33.33%

Assets in the course of construction are included at cost.

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 Consolidated Statement of Financial Activities incorporating Income and Expenditure Account.

1.8 Investments

The Academy Trust's shareholding in the wholly owned subsidiary, TDA Development Limited, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

1.9 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.10 Stocks

Stocks and work in progress 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.

1.11 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.

1.12 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.13 Liabilities and provisions

Liabilities and provisions 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 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.

1.14 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due from the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

1.15 Taxation

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.16 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore 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 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.

1.17 Agency arrangements

The Academy Trust acts as agent for administering the 16-19 Bursary funds from the ESFA. Transactions are excluded from the Statement of Financial Activities with any unspent funds carried forwards in creditors.

1.18 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.19 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Depreciation - depreciation is charged annually based on management's estimate of economic useful life of the asset per the accounting policies above.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds 2018 £000	Restricted Funds 2018 £000	Restricted Fixed Asset Funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Transfer from local authority on conversion	-	57	2,357	2,414	8,868
Grants	-	-	146	146	54
Government grants	-	-	-	-	21
	-	57	2,503	2,560	8,943
Total 2017	-	-	8,943	8,943	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds 2018 £000	Restricted Funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
DfE/ESFA grants				
General Annual Grant	-	21,681	21,681	19,624
Other Dfe/ ESFA grants	-	794	794	296
Other restricted grants	-	545	545	508
	-	23,020	23,020	20,428
Other government grants				
Local authority grants	-	218	218	131
	-	218	218	131
	-	23,238	23,238	20,559
Total 2017	-	20,559	20,559	

4. OTHER TRADING ACTIVITIES

	Unrestricted Funds 2018 £000	Restricted Funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Sales from Academy shop	142	-	142	108
School Trips	100	-	100	100
Catering	521	-	521	474
Subsidiary trading	116	-	116	72
Other	408	93	501	501
	1,287	93	1,380	1,255
Total 2017	894	361	1,255	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

5. INVESTMENT INCOME

	Unrestricted Funds 2018 £000	Restricted Funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Investment income	<u>2</u>	<u>-</u>	<u>2</u>	<u>10</u>
Total 2017	<u>10</u>	<u>-</u>	<u>10</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

6. CHARITABLE ACTIVITIES

	Total funds 2018 £000	Total funds 2017 £000
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	12,703	10,332
National insurance	1,280	1,162
Pension cost	4,194	3,472
Depreciation	3,192	3,150
Educational supplies	426	329
Examination fees	318	307
Staff development	121	69
Educational consultancy	314	318
Other direct costs	97	83
	<u>22,645</u>	<u>19,222</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	2,842	3,336
Pension service cost	(991)	(869)
Net pension finance cost	212	212
Pay re-organisational costs	62	50
Equipment maintenance	1,752	1,127
Rent and rates	194	143
Other support costs	596	623
Governance	150	112
Technology costs	210	201
Catering	261	150
Transport	102	75
Insurance	94	99
Heat and light	310	254
Cleaning	133	81
Security	8	10
Amounts transferred on conversion	-	3,503
	<u>5,935</u>	<u>9,107</u>
	<u><u>28,580</u></u>	<u><u>28,329</u></u>

THOMAS DEACON EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

7. EXPENDITURE

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000	Total 2017 £000
Expenditure on fundraising trading					
Direct costs	-	-	112	112	568
Support costs	-	-	764	764	-
Educational Operations:					
Direct costs	16,436	3,192	3,017	22,645	17,667
Support costs	3,804	-	2,131	5,935	10,660
	<u>20,240</u>	<u>3,192</u>	<u>6,024</u>	<u>29,456</u>	<u>28,895</u>
Total 2017	<u>17,433</u>	<u>4,289</u>	<u>7,173</u>	<u>28,895</u>	

In 2018, of the total expenditure, £876,000 (2017: £838,000) was attributable to unrestricted funds and £28,580,000 (2017: £28,057,000) was attributable to restricted funds.

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £000	Support costs 2018 £000	Total 2018 £000	Total 2017 £000
Educational Operations	<u>22,645</u>	<u>5,935</u>	<u>28,580</u>	<u>28,329</u>
Total 2017	<u>17,665</u>	<u>10,664</u>	<u>28,329</u>	

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets:		
- owned by the charitable group	3,192	25,927
Auditors' remuneration - audit	16	22
Auditors' remuneration - other services	22	4
Operating lease rentals	<u>54</u>	<u>80</u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £000	2017 £000
Wages and salaries	14,931	12,746
Social security costs	1,289	1,162
Operating costs of defined benefit pension schemes	3,227	2,603
	<u>19,447</u>	<u>16,511</u>
Supply	714	905
Staff restructuring costs	77	17
	<u>20,238</u>	<u>17,433</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £11,936 (2017 - £17,000). Individually, the payments were: £3,436 in December 2017, £4,500 in January 2018 and £4,000 in August 2018.

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	264	254
Administration and support	336	399
Management	4	5
	<u>604</u>	<u>658</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	249	201
Administration and support	229	207
Management	4	5
	<u>482</u>	<u>413</u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS (continued)

d. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	7	4
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	2	1
In the band £100,001 - £200,000	3	3

The above employees participated in the Teachers' Pension Scheme and Local Government Pension Scheme. During the year ended 31 August 2018 pension contributions for these staff members amounted to £174,169 (2017: £133,138).

e. Key management personnel

The Key Management Personnel of the Trust comprise the Trustees and the Executive Group as listed on page 1. The total amount of employee benefits (including employer's national insurance and employer's pension contributions) received by Key Management Personnel for their services to the Academy was £526,561 (2017: £595,216).

11. CENTRAL SERVICES

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

- Finance
- Facilities and estate management
- Human resources and organisational development
- Information technology services

The Trust charges for these services based on a percentage of GAG income, ranging from 3.7% to 4.6%..

The actual amounts charged during the year were as follows:

	2018 £000	2017 £000
Thomas Deacon Academy	550	600
Gladstone Primary Academy	125	41
Queen Katharine Academy	240	142
Upwood Primary Academy	3	-
	<u>918</u>	<u>783</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

12. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

Mrs J Taylor (CEO/ Trustee):	
Remuneration	£130,000 - £135,000 (2017: £130,000 - £135,000)
Employer's pension contributions	£20,000 - £25,000 (2017: £15,000 - £20,000)

Mr S Smith (Staff Director/Trustee/Company Secretary):	
Remuneration	£80,000 - £85,000 (2017: £60,000 - £65,000)
Employer's pension contributions	£15,000 - £20,000 (2017: £10,000 - £15,000)

During the year, travel and subsistence expenses paid on behalf of the Academy totalling £535 (2017: £91) were reimbursed to three Trustees.

13. TRUSTEES' AND OFFICERS' INSURANCE

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

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NOTES TO THE FINANCIAL STATEMENTS
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14. TANGIBLE FIXED ASSETS

Group and Academy	Leasehold property £000	Furniture and fixtures £000	Office equipment £000	Computer equipment £000	Assets under construction £000
Cost					
At 1 September 2017	45,474	15,652	2,831	4,027	164
Additions	-	66	55	195	-
Disposals	-	-	(10)	(2)	-
Transfer on conversion	2,357	-	-	-	-
At 31 August 2018	47,831	15,718	2,876	4,220	164
Depreciation					
At 1 September 2017	9,902	9,649	2,548	3,821	6
Charge for the year	1,248	1,572	157	212	3
On disposals	-	-	(6)	(1)	-
At 31 August 2018	11,150	11,221	2,699	4,032	9
Net book value					
At 31 August 2018	36,681	4,497	177	188	155
At 31 August 2017	35,572	6,003	283	206	158
Group and Academy					Total £000
Cost					
At 1 September 2017					68,148
Additions					316
Disposals					(12)
Transfer on conversion					2,357
At 31 August 2018					70,809
Depreciation					
At 1 September 2017					25,926
Charge for the year					3,192
On disposals					(7)
At 31 August 2018					29,111
Net book value					
At 31 August 2018					41,698
At 31 August 2017					42,222

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

15. FIXED ASSET INVESTMENTS

	Trade investments £000
Academy	
Market value	
At 1 September 2017 and 31 August 2018	<u>1</u>
Historical cost	<u>1</u>

16. STOCKS

	Group		Academy	
	2018	2017	2018	2017
	£000	£000	£000	£000
Catering	8	8	8	8
Stationery	6	6	6	6
Finished goods and goods for resale	17	11	17	11
Uniforms	104	65	104	65
	<u>135</u>	<u>90</u>	<u>135</u>	<u>90</u>

17. DEBTORS

	Group		Academy	
	2018	2017	2018	2017
	£000	£000	£000	£000
Trade debtors	55	75	47	72
Amounts owed by group undertakings	-	-	11	12
Other debtors	331	80	326	78
Prepayments and accrued income	598	592	598	592
	<u>984</u>	<u>747</u>	<u>982</u>	<u>754</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. CREDITORS: Amounts falling due within one year

	Group		Academy	
	2018	2017	2018	2017
	£000	£000	£000	£000
Trade creditors	841	984	837	978
Other taxation and social security	346	344	346	344
Other creditors	92	87	88	87
Accruals and deferred income	755	1,090	748	1,063
	2,034	2,505	2,019	2,472

	Group		Academy	
	2018	2017	2018	2017
	£000	£000	£000	£000
Deferred income				
Deferred income at 1 September 2017	679	83	679	83
Resources deferred during the year	(679)	658	(679)	658
Amounts released from previous years	427	(62)	420	(62)
Deferred income at 31 August 2018	427	679	420	679

Deferred income comprises Universal Free School Meals funding of £77k (2017: £55k), Trip income of £18k (2017: £25k), Capital funding of £35k (£78k), GAG funding of £180k (2017: £265k), rates relief of £110k (2017: £NIL), rental income received in advance of £7k (2017: £4k), transition funding of £NIL (2017: £108k), start up grants of £NIL (2017: £21k), project grants of £NIL (2017: £35k), nursery grants of £NIL (2017: £76k) and wider use grants of £NIL (2017: £12k).

19. PRIOR YEAR ADJUSTMENT

The accounts have been restated to incorporate the impact of an error in accounting for funds received on the transfer of Gladstone Primary School to the MAT in Feb 2017.

Gladstone Primary School was transferred with £274,000 restricted funds, but these had been incorrectly reflected as unrestricted funds at 31 August 2017.

The prior year adjustments have resulted in changes in the allocation of the reserves of the academy at 31 August 2017. There is no impact on the total reserves of the MAT at 31 August 2017.

Increase in restricted (cash debtors) of £274,000 and increase in restricted reserves of £274,000.

Decrease in restricted (cash debtors) of £274,000 and decrease in restricted reserves of £274,000.

Comparatives have been restated to reflect this prior year adjustment.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. STATEMENT OF FUNDS

	Balance at 1 September 2017 As restated £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
Unrestricted funds	278	1,289	(876)	(251)	-	440
Restricted funds						
General Annual Grant	2,315	23,534	(24,426)	86	-	1,509
Sponsor funds	69	-	-	-	-	69
Pension reserve	(8,071)	(147)	(962)	-	2,512	(6,668)
	(5,687)	23,387	(25,388)	86	2,512	(5,090)
Restricted fixed asset fund						
Restricted fixed asset funds	42,222	2,503	(3,192)	165	-	41,698
Total restricted funds	36,535	25,890	(28,580)	251	2,512	36,608
Total of funds	36,813	27,179	(29,456)	-	2,512	37,048

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

- (i) Unrestricted funds are for charitable expenditure at the discretion of the Trustees.
- (ii) The DfE/ESFA and other capital grants fund comprises fixed assets funded by government grants or sponsors.
- (iii) The Other Restricted Grant Fund is the residual private sponsorship, together with accumulated interest, and will be used to fund future projects at the direction of the sponsors.
- (iiii) The defined benefit pension scheme relates to the pension deficit arising on the LGPS pension scheme. The fund is in deficit but given the nature of the liability this is not payable immediately and plans are in place to meet the deficit such that it is not a constraint on funds going forward.
- (iiiii) The transfer of £165,000 from unrestricted funds to fixed asset funds represents unrestricted funds used for the purchase of fixed assets.
- (iiiii) The transfer of £86,000 from unrestricted funds to GAG funds represents educational expenditure funded from unrestricted funds.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £000	Total 2017 £000
Thomas Deacon Academy - restricted	360	1,991
Thomas Deacon Academy - unrestricted	886	287
Gladstone Primary Academy - restricted	587	64
Gladstone Primary Academy - unrestricted	(126)	244
Queen Katharine Academy - restricted	418	55
Queen Katharine Academy - unrestricted	(316)	21
Upwood Primary Academy - restricted	212	-
Upwood Primary Academy - unrestricted	(3)	-
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	2,018	2,662
Restricted fixed asset fund	41,698	42,222
Pension reserve	(6,668)	(8,071)
	<hr/>	<hr/>
Total	37,048	36,813

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciat- ion £000	Total 2018 £000	Total 2017 £000
Thomas Deacon Academy	8,701	2,412	167	2,400	13,680	13,704
Gladstone Primary School	1,988	355	93	572	3,008	1,806
Queen Katharine Academy	5,155	680	150	2,324	8,309	5,845
Upwood Primary Academy	47	3	-	8	58	-
Thomas Deacon Education Trust	578	416	16	199	1,209	821
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	16,469	3,866	426	5,503	26,264	22,176

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FOR THE YEAR ENDED 31 AUGUST 2018

20. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £000	Income As restated £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 As restated £000
General funds						
Unrestricted funds	718	1,176	(838)	(778)	-	278
Restricted funds						
General Annual Grant (GAG)	1,133	20,194	(19,632)	620	-	2,315
Other restricted grants	-	726	(726)	-	-	-
Sponsor funds	69	-	-	-	-	69
Pension reserve	(6,134)	(923)	(4,595)	-	3,581	(8,071)
	<u>(4,932)</u>	<u>19,997</u>	<u>(24,953)</u>	<u>620</u>	<u>3,581</u>	<u>(5,687)</u>
Restricted fixed asset fund						
Restricted fixed asset funds	35,576	9,592	(3,104)	158	-	42,222
Total restricted funds	<u>30,644</u>	<u>29,589</u>	<u>(28,057)</u>	<u>778</u>	<u>3,581</u>	<u>36,535</u>
Total of funds	<u>31,362</u>	<u>30,765</u>	<u>(28,895)</u>	<u>-</u>	<u>3,581</u>	<u>36,813</u>

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A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £000	Income As restated £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 As restated £000
Unrestricted funds						
Unrestricted funds	718	2,465	(1,714)	(1,029)	-	440
Restricted funds						
General Annual Grant (GAG)	1,133	43,728	(44,058)	706	-	1,509
Other restricted grants	-	726	(726)	-	-	-
Sponsor funds	69	-	-	-	-	69
Pension reserve	(6,134)	(1,070)	(5,557)	-	6,093	(6,668)
	<u>(4,932)</u>	<u>43,384</u>	<u>(50,341)</u>	<u>706</u>	<u>6,093</u>	<u>(5,090)</u>
Restricted fixed asset fund						
Restricted fixed asset funds	35,576	12,095	(6,296)	323	-	41,698
	<u>30,644</u>	<u>55,479</u>	<u>(56,637)</u>	<u>1,029</u>	<u>6,093</u>	<u>36,608</u>
Total of funds	<u>31,362</u>	<u>57,944</u>	<u>(58,351)</u>	<u>-</u>	<u>6,093</u>	<u>37,048</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 2018 £000	Restricted Funds 2018 £000	Restricted Fixed Asset Funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	41,698	41,698
Current assets	714	3,336	-	4,050
Creditors due within one year	(274)	(1,758)	-	(2,032)
Pension liability	-	(6,668)	-	(6,668)
	<u>440</u>	<u>(5,090)</u>	<u>41,698</u>	<u>37,048</u>

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21. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Restated unrestricted Funds 2017 £000	Restated restricted Funds 2017 £000	Restricted Fixed Asset Funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	42,222	42,222
Current assets	587	4,581	-	5,168
Creditors due within one year	(35)	(2,471)	-	(2,506)
Provision liability	-	(8,071)	-	(8,071)
	<u>552</u>	<u>(5,961)</u>	<u>42,222</u>	<u>36,813</u>

22. CAPITAL COMMITMENTS

At 31 August 2018 the Group and Academy had capital commitments as follows:

	Group		Academy	
	2018	2017	2018	2017
	£000	£000	£000	£000
Contracted for but not provided in these financial statements	<u>295</u>	<u>201</u>	<u>295</u>	<u>201</u>

Peterborough CC has funded the extension to the (refectory) which was completed and formally handed over to the academy in October 2018 at a value of £2 million. Under the agreement for the construction of this extension, a contribution of £229k was required from the academy in respect of this handover. This is included as a capital commitment at 31 August 2018.

23. PENSION COMMITMENTS

The Group's employees belong to two principal pension schemes: the Teacher's 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 Cambridgeshire Country Council. Both are Multi-Employer Defined Benefit Pension 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

23. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £1,462,000 (2017 - £1,282,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £1,258,000 (2017 - £1,097,000), of

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23. PENSION COMMITMENTS (continued)

which employer's contributions totalled £991,000 (2017 - £869,000) and employees' contributions totalled £267,000 (2017 - £228,000). The agreed contribution rates for future years are 22.0% for employers and 5.5% - 12.5% 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:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.60 %	2.70 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.4	22.4
Females	24.4	24.4
Retiring in 20 years		
Males	24.0	24.0
Females	26.3	26.3

The Group's share of the assets in the scheme was:

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equities	13,355,000	11,121,000
Corporate bonds	1,826,000	1,878,000
Property	1,162,000	1,011,000
Cash and other liquid assets	498,000	433,000
Total market value of assets	<u>16,841,000</u>	<u>14,443,000</u>

The actual return on scheme assets was £372,000 (2017 - £254,000).

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23. PENSION COMMITMENTS (continued)

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

	2018 £000	2017 £000
Current service cost	(1,741)	(1,557)
Interest income	372	254
Interest cost	(584)	(466)
Total	(1,953)	(1,769)

Movements in the present value of the defined benefit obligation were as follows:

	2018 £000	2017 £000
Opening defined benefit obligation	22,514	15,963
Transferred in on existing academies joining the trust	387	7,453
Interest cost	584	466
Employee contributions	267	228
Actuarial gains	(1,706)	(2,872)
Benefits paid	(278)	(281)
Current service cost	1,741	1,557
Closing defined benefit obligation	23,509	22,514

Movements in the fair value of the Group's share of scheme assets:

	2018 £000	2017 £000
Opening fair value of scheme assets	14,443	9,829
Transferred in on existing academies joining the trust	240	2,835
Interest income	372	254
Actuarial losses	806	709
Employer contributions	991	869
Employee contributions	267	228
Benefits paid	(278)	(281)
Closing fair value of scheme assets	16,841	14,443

	2018 £000	2017 £000
Closing defined benefit obligation	(23,509)	(22,514)
Closing fair value of scheme assets	16,841	14,443
Total	(6,668)	(8,071)

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24. OPERATING LEASE COMMITMENTS

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

Academy	2018 £000	2017 £000
Amounts payable:		
Within 1 year	2	24
Between 1 and 5 years	145	29
Total	<u>147</u>	<u>53</u>

25. OTHER FINANCIAL COMMITMENTS

Queen Katharine Academy is a PFI school (Private Finance Initiative - a procurement method that uses private sector investment to deliver public sector services). Therefore, Queen Katharine Academy have a PFI agreement that approximately £1.3 million will be made each year for the services provided. Based on an expected inflationary rate of 2% per year the commitment is expected to be;

Academy		
Amounts payable:	2018	2017
	£000	£000
Within 1 year	1,349	1,323
Between 1 and 5 years	5,672	5,560
After more than 5 years	23,794	25,254
Total	<u>30,815</u>	<u>32,137</u>

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NOTES TO THE FINANCIAL STATEMENTS
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26. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018	Group
	£000	2017
		£000
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(2,277)	1,869
Adjustment for:		
Depreciation charges	3,192	3,149
Dividends, interest and rents from investments	(2)	(10)
Loss on the sale of fixed assets	5	-
(Increase)/decrease in stocks	(45)	7
Increase/(decrease) in debtors	(237)	(376)
(Decrease)/increase in creditors	(471)	1,215
Capital grants from DfE and other capital income	(146)	(75)
Defined benefit pension scheme cost less contributions payable	750	212
Defined benefit pension scheme finance cost	212	688
Net assets and liabilities from local authority on conversion (excluding budget surplus transferred)	(2,210)	(4,943)
Net cash (used in)/provided by operating activities	(1,229)	1,736

27. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	Group
	£000	2017
		£000
Cash in hand	2,933	4,330
Total	2,933	4,330

28. CONVERSION TO AN ACADEMY TRUST

On 1 August 2018 Upwood Primary Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Thomas Deacon Education Trust from Cambridgeshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

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28. CONVERSION TO AN ACADEMY TRUST (continued)

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total funds £000
Leasehold land and buildings	-	-	2,357	2,357
Budget surplus/(deficit) on LA funds	-	204	-	204
LGPS pension assets	-	240	-	240
LGPS pension liabilities	-	(387)	-	(387)
Net assets/(liabilities)	-	57	2,357	2,414

Of the above surplus on LA funds, £204,000 was transferred as cash.

29. MEMBERS' LIABILITY

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

30. RELATED PARTY TRANSACTIONS

During the year the Trust transacted with Bright Field Consulting Limited to deliver a leadership programme. During the year the Trust has charged £6,112 for services during the year. Mr I Wigston (Trustee) is also a director and beneficial owner of Bright Field Consulting Limited.

Certain trustees' remuneration and expenses are disclosed in note 12.

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31. PRINCIPAL SUBSIDIARIES

TDA Development Limited

Subsidiary name	TDA Development Limited
Company registration number	06435213
Basis of control	
Equity shareholding %	100%
Total assets as at 31 August 2018	£ 24,399
Total liabilities as at 31 August 2018	£ 23,399
Total equity as at 31 August 2018	£ 1,000
Turnover for the year ended 31 August 2018	£ 115,592
Expenditure for the year ended 31 August 2018	£ (111,508)
Profit for the year ended 31 August 2018	£ 4,084