

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

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THOMAS DEACON EDUCATION TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr M Delap Mr I Clarkson Mr A Peters Mr M Dorsett Mr I Wigston
Trustees	Dr R Barnes, Chairman Mr M Mavani Mr P Clegg, (Caterpillar Inc.) Responsible Officer (resigned 11 December 2019) Mrs J Taylor, Chief Executive Mr E Winstone Mr M Potter, (Co-opted) Mr S J Smith, (Co-opted) Mr S Rehman, (Co-opted) Mrs K Peck, (Co-opted) Mr S Marsh, (Co-opted) Ms K Hall (appointed 15 June 2020)
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 Education
Independent auditors	MHA MacIntyre Hudson Chartered Accountants Moorgate House 201 Silbury Boulevard Milton Keynes Buckinghamshire MK9 1LZ

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Bankers Lloyds Bank
 Stamford
 PE9 2AT

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

THOMAS DEACON EDUCATION TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (also known as Governors) present their report together with the financial statements of the charitable company for the year ended 31 August 2020.

The financial statements have been prepared in accordance with the accounting policies on pages 38 to 44 of the attached financial statements, and comply with the charitable company's Articles of Association, the Companies Act 2006, the Charities Act 2011 and the Academies Accounts Direction issued by the ESFA. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates 7 academies for pupils aged 0-19 serving a catchment area in Peterborough and North Cambridgeshire. One school includes on-site nursery provision and the another includes pre-school provision. At the start of the year, the Trust consisted of six academies, with Richard Barnes Academy, an alternative provision school for Key Stage 2, 3 and 4 previously known as the Peterborough Pupil Referral Service, joining during the year. The Trust now has 4,860 pupils on roll with a capacity of 5,850.

Structure, governance and management

a. 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.

The trustees of Thomas Deacon Education Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Thomas Deacon Education Trust.

b. 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. Further details can be found in note 30.

c. Trustees' indemnities

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

d. Board of Trustees

The trustees 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 on 31 August 2020, and served throughout the year, except where shown, are listed on page 1.

During the year under review the Board of Trustees held four regular meetings which is less than the requirement of six times in the year. However, the other committees have also met equally and between meetings all Trustees are updated through the management accounts and minutes of 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 Governors on each established Local Governing Body pursuant to Article 101A. The two principal sponsors each appoint two Trustees;
- the Board of Trustees retains the right to appoint other Trustees as it deems fit dependent on need. Any new co-opted member of the Board of Trustees must be confirmed at a full meeting of the Board of Trustees.

e. Policies 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 Board of Trustees is provided on charity, educational, legal and financial matters.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

f. Organisational structure

The structure of the Trust consists of following levels:

- Board of Trustees, including the Chief Executive
- Resources Committee, including the Director of Resources
- Education Committee, including the Director of Education
- Academy Committees
- Executive Group

Decisions are taken across these committees and group in accordance to the Scheme of Delegation.

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, which is reviewed annually and published on the Trust website.

The Board of Trustees 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 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 Board of Trustees 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.

g. Arrangements for setting pay and remuneration of key management personnel

Following review in 2019, the revised Teachers and Executive Pay Policy was formally implemented on 1st September 2019. Alongside the non-teaching staff Pay Policy, the Trust operates a policy that outlines the approach of pay progression for all staff. Pay for the Chief Executive is recommended by the Chair of the Trust Board. Each Principal's pay is recommended by the Chief Executive and agreed by the Resources Committee. For each Academy Leadership Team, any salary progression is recommended by the appropriate Principal and also agreed through the Resources Committee but based on salary increases approved as part of the Teachers and Executive Pay Policy. The policy for all standard pay award and any associated performance pay, follow a consistent approach across all staff, including executives, and is in line with the pay policy.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	4
Full-time equivalent employee number	1

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	4
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time **£000**

Total cost of facility time	-
Total pay bill	25,351
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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i. 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

j. Engagement with employees (including disabled persons)

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 Group and the Trust carry out exit interviews for all staff leaving the organisation and have adopted a procedure of upward feedback for senior management and the Trustees.

TDET are committed to continuous employee engagement throughout the year. Proactive discussions are held regularly with Union partners to encourage and ensure transparency in any decisions affecting staff.

Alongside this, TDET undertake biannual surveys to all staff that assesses employee engagement and enablement to ensure the needs of all staff are met.

All TDET sites are compliant with the Equality Act.

The Group and the Trust have implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Health & safety policy

In accordance with the Group and the Trust's equal opportunities policy, the Group and the Trust have 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.

k. Engagement with suppliers, customers and others in a business relationship with the Trust

TDET believes that schools and communities can change one another for the better; working together, they can radically transform the futures of young people. TDET works closely with the communities in which it serves. This is achieved in a variety of ways, from governance at local and Board level, to careers information, advice and guidance, through the development of business partnerships as well as regional and national collaboration on educational and business matters. Many of our senior leaders serve as governors or trustees on other business or education committees. Regular communication and engagement is undertaken with parents/carers and the wider community. TDET is proud of the position it holds in its communities and takes full responsibility for developing an effective engagement strategy. This forms a significant part of the TDET strategic plan.

l. 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 2020 the subsidiary incurred a loss of £10,084. Further details regarding the subsidiary company are given in note 32 to the financial statements.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

m. Connected organisations

Caterpillar Inc. and the Thomas Deacon Foundation Trust are sponsors to the Thomas Deacon Academy, and now the Trust, and since Thomas Deacon 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.

Objectives and activities

a. Objects and aims

The principal object and activity of the charitable company is the operation of the Trust 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.

2019/20 was the first of the 3-year strategic plan adopted by Trustees. Review of the strategic plan also revisited the vision and strategic intent which is now defined as:

Vision: TDET Academies are connected by a common set of values to empower every student, every member of staff, parents and the community through a high-quality education.

Strategic Intent: We will be a sustainable Trust, rooted in its community, providing externally validated, high quality education with a reputation for excellence.

This will be delivered through our focus on:

- **High Quality Education:** We provide high quality education and care that empowers all to thrive.
- **Engagement:** We are a Multi Academy Trust that engages meaningfully with our communities.
- **Organisational Development:** We are fit for purpose, with the right people, efficient systems and have the capacity to deliver and grow our expert services.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

b. Objectives, strategies and activities

As described above, the Trust's main strategies are based around 3 key themes and 9 sub-themes:

- 1) High Quality Education
 - a) Curriculum Intent and Impact
 - b) Curriculum Implementation
 - c) Attitude, Behaviours and Personal Development
- 2) Engagement
 - a) Communication
 - b) Community
 - c) Branding
- 3) Organisational Development
 - a) People
 - b) Growth
 - c) Financial Sustainability

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

During the year, trustees received updates against the delivery of these objectives, recognising they are year one of three.

c. Public benefit

In setting objectives and planning activities, the Board of Trustees 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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

1. Educational provision during COVID-19 Lockdown

1.1 Background

- 1.1.1 As a result of the COVID-19 pandemic and subsequent national lockdown, all schools across the country were required to close to the majority of pupils from Monday March 23rd. The only pupils encouraged to attend in the first instance were those of key workers or those identified as vulnerable (including those pupils with SEND and those deemed to be disadvantaged or at risk). All other learners were expected to be supported in their learning through the remote provision of material and lessons.
- 1.1.2 Following the May half-term, schools were encouraged to extend their on-site provision where possible but only if safe to do so in line with 'COVID safe' arrangements. TDET academies took a range of different approaches to fit their context. QKA and TDA ensured all pupils were invited on site for 1:1 or small group tutorials during the second half of the Summer term. Primary academies invited additional pupils to attend who had demonstrated that working remotely was proving to be challenging. These on-site provisions were a supplement to the continued arrangements for remote learning.

1.2 Monitoring and evaluation of the impact of lockdown

- 1.2.1 A range of monitoring activities took place during and at the end of full lockdown in an attempt to ascertain some of the impact upon individuals and groups of pupils. In this way further work can be undertaken to support learning and personal development needs. This monitoring is still in place as pupils return to full time education. The information below represents the whole Trust perspective and is available at individual academy level.
- a) TDET academies were closed to the majority of pupils for a total of 14 weeks (March 23rd to July 17th).
 - b) TDET academies used a locally centred hub approach to providing access to the children of key workers and vulnerable children for 6 weeks.
 - c) TDET academies remained open for the children of key workers and vulnerable children over the Easter break including bank holidays. TDET academies closed for all children during the May half term.
 - d) The number of key worker children and vulnerable children entitled to attend was variable across the academies but ranged from 15 to 119 – total approximately 320.
 - e) The actual number attending daily on average ranged from 5 to 29 across the academies – approximately 21%.
 - f) The number of confirmed cases of COVID-19 among students and staff was 6.
 - g) There were no deaths in the immediate TDET community, but 12 staff and students experienced bereavements in their family.
 - h) The number of safeguarding cases alerted to TDET academies during this period was 292.
 - i) The percentage of children receiving free school meal vouchers ranged from 16% to 37% across our academies.
 - j) The percentage of students who accessed online learning organised by TDET ranged from 30% to 90% across our academies.
 - k) Analysis by year group shows that access to online provision was very mixed and academy specific.
 - l) Analysis by student group shows that access to online provision was lowest across our academies in disadvantaged and SEND groups.
 - m) All teaching staff were involved in providing online learning through materials or lessons via networking systems.
 - n) Paper-based work packs were provided when access to online platforms proved difficult. In some cases, a blanket approach was taken whereas in others only paper packs were distributed to those without suitable access to technology.
 - o) Emerging new disadvantage includes those families without access to ICT or shared access within the family, less stable home working environments, newly identified young carers.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

- 1.2.2 The financial impact across TDET of the pandemic is still being calculated. In some aspects of school life, savings were made during lockdown e.g. cost of CPD, travel and subsistence, supply teachers, reduced photocopying. In other areas, costs may have increased due to different requirements such as cleaning, work packs and staff laptops.
- 1.2.3 An analysis of this data alongside emerging information, shows that, to restore educational entitlement to the most vulnerable students, as a Trust we will need to prioritise the following groups and aspects of our work:
- Students in current Years 1, 6, 11 and 13
 - Disadvantaged – as defined by pupil premium and to include SEND
 - Those with a hidden disadvantage e.g. no access to ICT, less stable home working environment
 - Well-being and establishing meaningful and impactful relationships
 - Home-school communication
 - Curriculum planning to identify and meet identified student need
- Planning to meet these emerging priorities will be led by TDET principals and monitored by the Executive Group.

2. Educational Outcomes 2020

2.1 Background

- 2.1.1 Due to COVID-19, a decision was made to suspend the traditional examination arrangements at A-level and GCSE for this year and instead to rely on the use of Centre Assessed Grades (CAGs) which would then be subject to an agreed statistical moderation process. SATs at the end of Key Stage 2 were cancelled.
- 2.1.2 The academies' responsibility, in line with the detailed guidance provided by Ofqual, was to submit Centre Assessed Grades that were consistent with the verifiable evidence base – of grades and results – held by the school. Schools were not able to infer any particular trajectory of improvement for our students unless this was present in the grade profile of the individual subject. There were no grade quotas (or pre-determined distributions) for any of the Centre Assessed Grades that were submitted.
- 2.1.3 Within Thomas Deacon Education Trust and its academies, we closely followed Ofqual's guidance on determining CAGs, as we were required to do and the process we undertook, therefore, was as follows:
- Senior leaders agreed the objective evidence that teachers and subject leaders would use when assessing students.
 - Teachers and subject leaders worked together to propose a CAG for each student in each subject.
 - Senior leaders reviewed all the proposed CAGs, moderating them as instructed by Ofqual.
 - Academy principals presented the final grades to Trust staff for further scrutiny and moderation.
 - The final agreed CAGs were submitted to the exam boards.
- 2.1.4 As mentioned above, the CAGs were therefore the academy and Trust's considered assessment of the grade each student would have been most likely to get if they had taken their exams and completed any non-exam assessment this summer. As the Ofqual guidance makes clear, these are not the same as:
- age-related grades (usually defined as the grade a student would receive if they took the relevant exam now)
 - 'working at' grades (the grade a student is currently working at)
 - target grades (often set a little higher than likely to be achieved, to motivate students)
 - (for A-levels) predicted grades provided to UCAS in support of university applications
- 2.1.5 On the release of A-level results on Wednesday 12th August it became very clear that there was an issue with the algorithm that had been used to statistically manipulate the CAGs. This algorithm effectively

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FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

'pinned' a school's outcomes at subject level to its historic grade distribution. This appeared to inappropriately disadvantage a significant number of pupils. Subsequently a decision was made to award pupils the highest grade of either the CAGs or statistically amended grade.

2.1.6 A decision was also made to award GCSE grades in the same manner.

2.2 Outcomes

2.2.1 There are no published performance tables this year and comparisons with previous years is inappropriate due to the different way in which grades have been awarded this year.

2.2.2 Each academy is now in the process of 'analysing' the outcomes at subject and cohort level. The information from this analysis will feed into whole academy and subject action plans which will be supported by the Trust central team.

2.3 Re-sits

2.3.1 A small number of re-sits are planned for the Autumn series as requested by students. In total there are 12 A-level entries and 80 GCSE entries (the large majority in English and Maths).

2.3.2 The DfE is providing support for schools and colleges to run autumn exams. The DfE exam support service will help schools and colleges with any additional costs associated with running exams in the autumn, including fees charged by awarding organisations, sites and invigilation. The service will not cover English and Maths GCSE exams taken by students who did not achieve a grade 4 or higher in these subjects, because these exams take place in November in a normal year and schools and colleges will have planned and budgeted for them.

2.4 Leavers and Destinations

2.4.1 The table below summarises the destinations of Year 13 leavers from TDET academies:

	QKA	TDA
Total number	65	140
% University	67	73
% Employment	26	12
% Higher apprenticeship	4	6
% Armed Forces	1	0
% Other e.g. gap year	2	6
% Unknown/unsecured	0	3

2.4.2 Due to the last-minute changes made to the awarding of grades, university applications were potentially challenging this year. Some students found themselves not able to secure their first choice of university due to initially receiving lower than expected grades and then found out that their first choice of university and course was full when revised grades were issued. Additionally, some students had their secured place withdrawn following the announcement to use CAGs. Some students who secured strong outcomes were able to 'upgrade' their chosen course and destination.

2.4.3 At QKA, 81% of students applying to university secured their first choice, 12% 'upgraded', 3% went to their second choice and 4% deferred for different reasons including change of career choice and COVID anxiety.

2.4.4 At TDA, 65% of students applying to university secured their first choice, 1% 'upgraded', 24% went to their second choice, 6% have deferred and 4% are as yet unplaced.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

2.4.5 The table below summarises the destinations of Year 11 leavers from TDET academies:

	RBA	QKA	TDA	IQRA
Total number	80	118	321	16
% TDET Sixth form	0	66	51	69
% Other Sixth form/FE	42	29	42	31
% Employment	2	0	0	0
% Apprenticeship	0	0	3	0
% NEET	51	0	2	0
% Not known	5	5	2	0

2.4.6 The table below summarises the destinations of Year 6 leavers from TDET Peterborough located primaries:

	Number of leavers	% TDET Secondary
GPA	89	45
TDAJ	90	91
WeIPA	41	27

Inspection and External Validation

Three TDET Academies were subject to Ofsted inspections during the 2019 Autumn term.

- Thomas Deacon Academy was judged as Good in all categories improving on the 2015 judgement.
- Gladstone Primary Academy was judged as Requires Improvement although was judged Good in many categories. This is a significant improvement against its last inspection in 2016, where it was judged as Inadequate.
- Queen Katharine Academy was judged as Good. At its last inspection in 2016 (under its previous name of the Voyager Academy), it was judged as Requires Improvement.

In all inspections, TDET received praise for the contribution made by the Trust since its involvement.

In January 2020 TDET were subject to a School Resources Management Advisor review where TDET received positive feedback about its financial management processes, central support structures and approach to managing the long-term position of the Trust.

a. Going concern

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

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

b. Promoting the success of the company

Directors of Thomas Deacon Education Trust consider, both individually and together, that they have acted in the way they consider would be most likely to promote the success of the company for the benefits of the children in its care, the community and the members.

Our primary purpose is to advance education for the children in our care and our strategic plan has been developed to have long-term beneficial impact for all children in our academies and the wider community, while maintaining short-term improvement. We continue to see educational improvements that are delivered within financial thresholds and within the regulatory framework.

Our employees are fundamental to the delivery of our plan. Our People Strategy aims to ensure TDET have the best people in the industry working for us as collaborative partners, who are fully engaged and enabled to deliver our strategic intent in a sustainable and efficient operating model. The health, safety and well-being of our employees remains a core focus, as well as providing continuous development for staff to be the best they can be.

Directors and the Executive take their community responsibilities seriously and collaborate fully with the sector, both locally and nationally. Our strategic ambition remains to nurture and develop relationships that encourage collaboration with colleagues from other schools, multi academy trusts, and the Department for Education, thereby helping influence connected thinking across the sector. At a local level, regular communication with parents and the community is undertaken to seek feedback on our progress and each of our academy leaders work closely with their communities and engage regularly and consistently with parents and wider stakeholders.

Risk management plays an intrinsic role in overseeing the multi academy trust and its operations. Strategic risks are regularly considered by the Directors of the Trust and operational risk are managed at an academy level. Mitigation actions are scrutinised to understand the short-term expectations against the long-term benefits ensuring sustainability over the long-term.

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Financial review

a. 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 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Trust also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice SORP 2019, 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 2020 of £39,022,000 comprising £53,818,000 of restricted fixed asset funds, £940,000 of restricted funds, £646,000 of unrestricted general funds and a pension reserve deficit of £16,382,000.

For the year ended 31 August 2020, total expenditure (excluding pension and fixed asset) was £31,100,000 and total income (excluding pension and fixed assets) was £31,267,000 which relates to funding from ESFA together with other incoming resources. The excess of expenditure over income for the year (excluding pension and restricted fixed asset funds) was £166,000. During the year £1,730,000 of costs were also incurred with regards to the pension fund.

At 31 August 2020 the net book value of fixed assets was £53,236,000 and movements in tangible fixed assets are shown in note 14 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 FRS102 in respect of its administrative staff pension scheme, for each of its academies. During the year Thomas Deacon Education Trust incurred an increase of its pension liability of £2,947,000 resulting in an overall deficit of £16,382,000.

b. 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 2019/20 the Trustees reviewed reserve levels and determined that the appropriate level of unringfenced reserves should be equivalent to 5% of total income excluding contributions to fixed asset funds, which equates to approximately £1,528,000. 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 £1,586,000 which is in line with that needed.

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TRUSTEES' REPORT (CONTINUED)
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Financial review (continued)

c. Investment policy

The Trust has an approved investment policy which covers the appropriate use of surplus funds. The Chief Executive and the Board of Trustees 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 Resources Committee in relation to strategy, status and market conditions.

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

The Trust 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 of Trustees 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 Board of Trustees. 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 make more than four (4) transfers per calendar month without the approval of the Resources Committee.

d. Principal risks and uncertainties

The Trust Board have a comprehensive risk management process to identify and monitor the risks faced by the Trust. The key categories are: Strategic; Governance; Financial; Safeguarding; Health and Safety; Legal. A point scoring mechanism is in place with greater emphasis directed towards those identified higher risk areas. The Board believe that the major risks that the Trust is currently facing relate to medium term funding issues as a result of an academy with an in-year deficit and the wider implications of succession planning of key roles across the Trust.

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Financial review (continued)

e. 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 Trust 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.

Funds in deficit

The Trust's share of the LGPS valuation, as determined by the actuary, is a total deficit of £16,382,000 The Trust continues to pay the recommended contribution to the scheme, as detailed in note 27. 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 2019/20, students and staff have raised money through cake sales, sponsored events and non-uniform days to support organisations.

Charity contributions are split between charities that are local to each academy and a trust wide initiative where all funds are contributed to a chosen charity. All staff and students are encouraged to participate in these activities.

The school does not work with any professional fundraisers. The trustees monitor all fundraising.

With the exception of the above, the Trust do not contact or seek funding from the public or individuals.

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Streamlined energy and carbon reporting

The Group's greenhouse gas emissions and energy consumption are as follows:

	2020
Energy consumption used to calculate emissions (kWh):	5,925,472
Energy consumption breakdown (kWh):	
Gas	3,516,577
Electricity	2,408,895
Transport fuel	26,232
Scope 1 emissions (in tonnes of CO2 equivalent):	
Gas consumption	650
Owned transport - mini-buses	7
Total scope 1	657
Scope 2 emissions (in tonnes of CO2 equivalent):	
Purchased electricity	562
Total gross emissions (in tonnes of CO2 equivalent)	1,219

The Group has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2020 UK Government's Conversion Factors for Company Reporting.

The chosen intensity ratio is total gross emissions in tonnes of CO2 equivalent per pupil, 0.03, the recommended ratio for the sector.

Measures taken to improve energy efficiency:

Thomas Deacon Education Trust has formed a Strategic Sustainability Steering Group involving key stake holders across the whole organisation to formulate a plan for the trust's sustainability goals for the future. We have partnered with some of the industry's leading specialists, Delta Simons and PECT (Peterborough Environment City Trust), to support us on our journey.

Sustainability will be embedded in both our short and long-term planned investment and initiatives across the trust.

Full condition surveys are currently in progress and this will assist us in steering the direction of our investment.

We are currently working on an ongoing programme to replace all lighting to LED and where possible use occupancy detection.

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

Throughout 2019/20, efforts began to progress year one of the strategic plan. Clearly the global pandemic, resulting in a national lockdown, has meant that resource and efforts have been reprioritised to ensuring our academies are safe for education to continue. In 2020/21, TDET will continue to review its COVID-19 risk assessment and provide ongoing assurance to staff, students and parents that our academies remain safe environments for students to learn.

To deliver the strategic plan, a range of Strategic Steering Groups will be established to oversee and direct projects that will be aligned to the people and digital strategies. Additional focus will also be given to TDET's response to the global climate crisis including a review and calculation of scope 3 initiatives to reduce the impact of TDET and its communities.

Funds held as custodian on behalf of others

During the year, the Trust has held two separate funds as custodian. The Learner Support Fund at Thomas Deacon Academy and the Enterprise Fund for Queen Katharine Academy. During the year, the Enterprise fund has been delegated to another entity and is no longer held by Thomas Deacon Education Trust.

Funds are ring fenced and have been established to support students that are suffering from hardship and who may need financial support. Financial support is given where certain criteria is met. The balance of Learner Support Fund as at 31 August 2020 was £37,281.

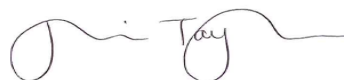
Auditors

The Board of Trustees confirms that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 14 December 2020 and signed on its behalf by:



.....
Mr S Marsh
Chair Resources Committee



.....
Mrs J Taylor
Chief Executive

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

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 Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the master funding agreement between the Trust and the Secretary of State for Education and the supplementary funding agreements between each academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year.

The Board of Trustees has met formally for four times in the year, which is less than the requirement of six times in the year. However, the other committees have also met equally and between meetings all Trustees are updated through the management accounts and minutes of meetings.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Dr R Barnes, Chair	4	4
Mr M Mavani	3	4
Mr P Clegg, Responsible Officer (resigned 11 December 2019)	1	1
Mrs J Taylor	4	4
Mr E Winstone	3	4
Mr M Potter	2	4
Mr S J Smith	4	4
Mr S Rehman	3	4
Mrs K Peck	3	4
Mr S Marsh	4	4
Mrs K Hall (appointed 15 June 2020)	1	1

Following some resignations from positions on the Board of Trustees, a skills analysis was undertaken to ensure that we recruited trustees that met the need of the Board of Trustees and the subcommittees.

The Resources Committee was established as a subcommittee of the main Board of Trustees, in January 2017. Its purpose is to oversee finance, HR, premises, health and safety and ICT strategy. Following the resignation of Mr P Clegg, Mr S Marsh was appointed Chair of the Resources Committee from 12th December 2019. Attendance of this meeting was as follows:

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Clegg (Chair) (resigned 11 December 2019)	2	2
Mr S Marsh (appointed Chair 12 December 2019)	3	4
Mr S J Smith	4	4
Mr M Mavani	4	4
Mr S Rehman	3	4

The Education Committee was established as a subcommittee of the main Board of Trustees, in January 2018. Its purpose is to oversee educational strategy, outcomes and performance in each of the Academies. Attendance of this meeting was as follows:

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr E Winstone (Chair)	5	5
Dr R Barnes	5	5
Mrs J Taylor	5	5
Mr M Potter	2	5
Mrs K Peck	4	5
Mrs L Soden (Chair) (non-Trustee)	5	5

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 Board of Trustees 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.

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- Improving educational results: Examination results continued to improve year on year.
- Targeted improvement: Staffing decisions, including the central services team, are under continual review to ensure that staffing is deployed to deliver our strategic objectives. Full accountability and responsibility are built into this structure.
- Focus on individual pupils: Targeted initiatives and interventions are in place to ensure that all children receive specific support, regardless of their background.
- Collaboration: The Trust continues to engage with other educational providers, including other Multi Academy Trusts and the Department for Education, 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, Financial Directors Forums to share best practice and consolidate thinking and efficiency opportunities. A small number of consultants are used to further support improvement in key areas of literacy and numeracy across the year groups.
- Benchmarking: a range of key performance and benchmarking is used to ensure resources are allocated in accordance to need. Integrated Financial Curriculum Planning and core governance information is reported to trustees regularly to ensure scrutiny on all resource allocations.
- Better purchasing: A register of all services and contracts has 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.
- Options appraisal: The Board of Trustees 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.
- Value for Money: 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

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

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. Consolidated purchasing is established to reduce unit costs as far as practicable, this includes using government frameworks e.g. the Risk Protection Arrangement.
- Better income generation: Opportunities have been taken to explore and generate additional and reliable revenue streams. 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 the Trust's 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 ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

A Financial Governance and Management Self-Assessment is completed annually to ensure ongoing assurance to the Resources Committee of the control framework that the Trust has in place.

Capacity to handle risk

The Board of Trustees have 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 Board of Trustees are 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 ending 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees and subcommittees.

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 which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts 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
- identification and management of risk.

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Board of Trustees has appointed Mr S Marsh, a member of the Board of Trustees, as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. The function of the range of checks is devolved to the external auditors. On a regular basis, the RO reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities based on reports from the external auditors. There are no material control issues arising as a result of these reviews.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

On a quarterly basis, the reviewer reports to the board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

Review of effectiveness

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

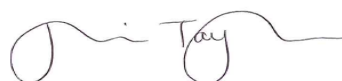
- the work of the Responsible Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the Executive Group within the Trust and who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the 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 Board of Trustees and signed on their behalf by:



.....
Mr S Marsh
Chair Resources Committee



.....
Mrs J Taylor
Chief Executive

Date: 14th December 2020

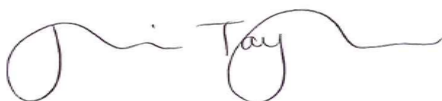
THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Thomas Deacon Education Trust I have considered my responsibility to notify the Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2019.

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



.....
Mrs J Taylor
Accounting Officer

Date: 14th December 2020

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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 Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare 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 Group and the charitable company and of their incoming resources and application of resources, including their 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 2019 and the Academies Accounts Direction 2019 to 2020;
- 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 group will continue in business.

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

The Trustees are responsible for ensuring that in their conduct and operation the Group and the charitable company apply 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 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 Board of Trustees and signed on its behalf by:



.....

Mr S Marsh
Chair Resources Committee

Date: 14th December 2020

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') and its subsidiaries (the 'Group') for the year ended 31 August 2020 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the Academy balance sheet, the 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and 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 Trust's affairs as at 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and 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 Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THOMAS DEACON EDUCATION TRUST (CONTINUED)

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. Other information includes the Reference and Administrative details, Trustees Report, incorporating the Strategic Report and the Directors Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Trustees Responsibilities Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and the parent Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

- the parent Trust 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 Trust 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.

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

Moorgate House

201 Silbury Boulevard

Milton Keynes

Buckinghamshire

MK9 1LZ

Date: 16/12/2020

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 12 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 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 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 ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Thomas Deacon Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Thomas Deacon Education Trust's funding agreement with the Secretary of State for Education dated and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing a sample of payroll payments to staff;
- testing a sample of payments to suppliers and other third parties;
- consideration of governance issues; and
- evaluating the internal control procedures and reporting lines, testing as appropriate and making appropriate enquiries of the Accounting Officer.

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
Moorgate House
201 Silbury Boulevard
Milton Keynes
Buckinghamshire
MK9 1LZ

Date: 16/12/2020

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 2020

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from:						
Donations and capital grants	3	-	(614)	9,533	8,919	8,008
Charitable activities	4	118	29,918	-	30,036	25,653
Other trading activities	5	1,019	58	-	1,077	1,391
Investments	6	5	-	-	5	2
Total income		1,142	29,362	9,533	40,037	35,054
Expenditure on:						
Raising funds		249	61	-	310	469
Charitable activities		765	31,756	3,298	35,819	31,351
Total expenditure	8	1,014	31,817	3,298	36,129	31,820
Net movement in funds before other recognised gains/(losses)		128	(2,455)	6,235	3,908	3,234
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	27	-	(454)	-	(454)	(4,715)
Net movement in funds		128	(2,909)	6,235	3,454	(1,481)
Reconciliation of funds:						
Total funds brought forward		516	(12,532)	47,583	35,567	37,048
Net movement in funds		128	(2,909)	6,235	3,454	(1,481)
Total funds carried forward		644	(15,441)	53,818	39,021	35,567

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

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	14	53,236	47,583
		53,236	47,583
Current assets			
Stocks	16	219	162
Debtors	17	1,074	866
Cash at bank and in hand		3,902	3,219
		5,195	4,247
Creditors: amounts falling due within one year	18	(1,983)	(2,271)
Net current assets		3,212	1,976
Total assets less current liabilities		56,448	49,559
Creditors: amounts falling due after more than one year	19	(1,044)	(557)
Net assets excluding pension liability		55,404	49,002
Defined benefit pension scheme liability	27	(16,382)	(13,435)
Total net assets		39,022	35,567
Funds of the Trust			
Restricted funds:			
Fixed asset funds	20	53,818	47,583
Restricted income funds	20	940	903
		54,758	48,486
Restricted funds excluding pension asset	20	54,758	48,486
Pension reserve	20	(16,382)	(13,435)
Total restricted funds	20	38,376	35,051
Unrestricted income funds	20	646	516
Total funds		39,022	35,567

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

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 33 to 74 were approved by the Trustees, and authorised for issue on 14 December 2020 and are signed on their behalf, by:



.....

Mr S Marsh
Chair Resources Committee

The notes on pages 39 to 74 form part of these financial statements.

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

TRUST BALANCE SHEET
AS AT 31 AUGUST 2020


	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	14	53,236	47,583
Investments	15	1	1
		53,237	47,584
Current assets			
Stocks	16	219	162
Debtors	17	1,333	891
Cash at bank and in hand		3,890	3,182
		5,442	4,235
Creditors: amounts falling due within one year	18	(2,222)	(2,260)
Net current assets		3,220	1,975
Total assets less current liabilities		56,457	49,559
Creditors: amounts falling due after more than one year	19	(1,044)	(557)
Net assets excluding pension liability		55,413	49,002
Defined benefit pension scheme liability	27	(16,382)	(13,435)
Total net assets		39,031	35,567

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

TRUST BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Funds of the Trust			
Restricted funds:			
Fixed asset funds	20	53,818	47,583
Restricted income funds	20	941	607
Restricted funds excluding pension liability	20	54,759	48,190
Pension reserve	20	(16,382)	(13,365)
Total restricted funds	20	38,377	34,825
Total unrestricted income funds	20	654	742
Total funds		39,031	35,567

The financial statements on pages 33 to 74 were approved by the Trustees, and authorised for issue on 14 December 2020 and are signed on their behalf, by:



.....
Mr S Marsh
 Chair Resources Committee

The notes on pages 39 to 74 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 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by operating activities	22	95	544
Cash flows from investing activities	23	588	(258)
Change in cash and cash equivalents in the year		683	286
Cash and cash equivalents at the beginning of the year		3,219	2,933
Cash and cash equivalents at the end of the year	24, 25	<u>3,902</u>	<u>3,219</u>

The notes on pages 39 to 74 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 2020

1. Accounting policies

Thomas Deacon Education Trust is a company limited by guarantee registered in England. The registered office is detailed on page 1 and the principle activity is detailed in the Trustee's Report.

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.

The financial statements are prepared in £ sterling, rounded to the nearest £1.

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Thomas Deacon Education Trust meets the definition of a public benefit entity under FRS 102.

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

The Trust has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Sponsorship income**

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

• **Donations**

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

• **Other income**

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

• **Transfer of existing academies into the Trust**

Where assets and liabilities are received on the transfer of an existing academy into the Trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised for the transfer of an existing academy into the Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Taxation

The 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.7 Tangible fixed assets

Assets costing £1,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Consolidated Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Consolidated Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, a transfer is made to the restricted fixed assets fund.

Depreciation is provided on all tangible fixed assets in year of acquisition other than freehold land and assets under construction, at rates calculated to write off the cost of each asset, less their estimated residual value, over its expected useful life as follows:

Depreciation is provided on the following bases:

Leasehold property	- 2% - 3.33% straight line
Furnishings and fittings	- 10% straight line
Furniture and equipment	- 20% straight line
Computer equipment and software	- 33.33% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

During the year, all assets previously classed as Freehold Property have been reallocated to Leasehold Property.

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.

1.8 Stocks and work in progress

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.9 Long-term contracts

Surplus on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The surplus included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

1.10 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.

1.11 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.

1.12 Liabilities

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

1.13 Financial instruments

The Group only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Group and their measurement bases 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 to the 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 cost as detailed in notes 18 and 19. 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 Trust's wholly owned subsidiary are held at face value less any impairment.

1.14 Operating leases

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.15 Pensions

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Group 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 Consolidated 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.

1.16 Conversion to an academy trust

The conversion from a state maintained school to a 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 Richard Barnes Academy to the 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 Consolidated 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 33.

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 forward in creditors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.18 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, 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 2020. 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.

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. Income from donations and capital grants

	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Transfer from local authority on conversion	(625)	8,662	8,037	7,761
Grants	11	871	882	247
Total 2020	(614)	9,533	8,919	8,008
Total 2019	(871)	8,879	8,008	

4. Funding for the academy's educational operations

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	26,290	26,290	23,762
Other DfE/ESFA grants	-	934	934	821
Other restricted grants	118	1,450	1,568	349
	118	28,674	28,792	24,932
Other government grants				
Local authority grants	-	1,244	1,244	721
	-	1,244	1,244	721
Total 2020	118	29,918	30,036	25,653
Total 2019	-	25,653	25,653	

The academy furloughed various catering staff, before and after school club staff and nursery staff under the government's CJRS. Funding received of £118,424 included within Other Restricted Grants relates to staff costs in respect of 41 staff.

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Income from other trading activities

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Sales from Academy shop	153	-	153	163
School Trips	27	-	27	135
Catering	414	-	414	566
Subsidiary trading	90	-	90	125
Other	335	58	393	402
Total 2020	<u>1,019</u>	<u>58</u>	<u>1,077</u>	<u>1,391</u>
Total 2019	<u>1,316</u>	<u>75</u>	<u>1,391</u>	

6. Investment income

	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Investment income	5	5	2
Total 2019	<u>2</u>	<u>2</u>	

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. Expenditure

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000	Total 2019 £000
Expenditure on fundraising trading activities:					
Direct costs	-	-	310	310	469
Educational operations:					
Direct costs	20,091	3,298	1,305	24,694	21,968
Allocated support costs	5,910	1,053	4,161	11,124	9,172
Total 2020	<u>26,001</u>	<u>4,351</u>	<u>5,776</u>	<u>36,128</u>	<u>31,609</u>
Total 2019	<u>22,261</u>	<u>3,254</u>	<u>6,094</u>	<u>31,609</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Direct costs	24,694	11,124	35,818	31,351
Total 2019	<u>21,968</u>	<u>9,383</u>	<u>31,351</u>	

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2020 £000	Total funds 2019 £000
Pension cost	265	212
Staff costs	5,910	4,968
Educational supplies	-	3
Legal costs	19	32
Pay re-organisational costs	43	-
Equipment maintenance	1,723	1,627
Rent and rates	199	200
Other support costs	598	456
Governance	351	157
Technology costs	214	214
Catering	681	649
Transport	40	107
Insurance	102	117
Heat and light	464	473
Cleaning	390	158
Security	10	10
Donations	114	-
	<hr/> 11,124 <hr/>	<hr/> 9,383 <hr/>

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020	2019
	£000	£000
Operating lease rentals	103	88
Depreciation of tangible fixed assets	3,295	3,255
Fees paid to auditors for:		
- audit	34	24
- other services	3	3
	<u><u> </u></u>	<u><u> </u></u>

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	Group 2020 £000	Group 2019 £000	Trust 2020 £000	Trust 2019 £000
Wages and salaries	18,425	16,398	18,425	16,398
Social security costs	1,576	1,418	1,576	1,418
Pension costs	5,388	3,510	5,388	3,510
	25,389	21,326	25,389	21,326
Agency staff costs	564	866	564	866
Staff restructuring costs	48	69	48	69
	26,001	22,261	26,001	22,261

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

Included in staff restructuring costs is three non-statutory/non-contractual severance payments totalling £23,689 (2019 - £42,827). Individually, these payments were £12,140, £2,852 and £8,697.

c. Staff numbers

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

	Group 2020 No.	Group 2019 No.
Teachers	308	278
Administration and support	440	374
Management	3	4
	751	656

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Staff (continued)

c. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	Group 2020 No.	Group 2019 No.
Teachers	288	266
Administration and support	286	254
Management	3	4
	<hr/> 577 <hr/>	<hr/> 524 <hr/>

d. Higher paid staff

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

	Group 2020 No.	Group 2019 No.
In the band £60,001 - £70,000	7	6
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	3	2
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	1
In the band £120,001 - £130,000	-	-
In the band £130,001 - £140,000	1	1
	<hr/> 1 <hr/>	<hr/> 1 <hr/>

e. Key management personnel

The key management personnel of the Trust comprise the principals and the executive group listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £1,116,629 (2019: £934,469).

THOMAS DEACON EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. Central services

The Group 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 Group charges for these services on the following basis:

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:

	2020	2019
	£000	£000
Thomas Deacon Academy	540	555
Gladstone Primary Academy	132	131
Queen Katharine Academy	269	242
Upwood Primary Academy	33	32
Welbourne Primary Academy	43	15
Warboys Primary Academy	48	19
Richard Barnes Academy	39	-
Total	1,104	994

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020	2019
		£000	£000
Mrs Julie Taylor (CEO/Trustee)	Remuneration	135 - 140	135 - 140
	Pension contributions paid	30 - 35	20 - 25
Mr Simon Smith (Staff Director)	Remuneration	85 - 90	80 - 85
	Pension contributions paid	15 - 20	15 - 20

During the year ended 31 August 2020, travel and subsistence expenses totalling £791 were reimbursed or paid directly to 2 Trustees (2019 - £1,692 to 4 Trustees).

13. Trustees' and Officers' insurance

The Group has opted into the Department of 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 membership.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

14. Tangible fixed assets

Group and Trust

	Leasehold property £000	Assets under construction £000	Furniture and fixtures £000	Office equipment £000	Computer equipment £000	Total £000
Cost or valuation						
At 1 September 2019	56,473	365	15,786	2,961	4,360	79,945
Additions	-	-	192	20	75	287
Academy transferred in	8,662	-	-	-	-	8,662
At 31 August 2020	<u>65,135</u>	<u>365</u>	<u>15,978</u>	<u>2,981</u>	<u>4,435</u>	<u>88,894</u>
Depreciation						
At 1 September 2019	12,505	17	12,799	2,840	4,202	32,363
Charge for the year	1,511	7	1,597	44	136	3,295
At 31 August 2020	<u>14,016</u>	<u>24</u>	<u>14,396</u>	<u>2,884</u>	<u>4,338</u>	<u>35,658</u>

THOMAS DEACON EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

14. Tangible fixed assets (continued)

Group and Trust (continued)

	Leasehold property £000	Assets under construction £000	Furniture and fixtures £000	Office equipment £000	Computer equipment £000	Total £000
Net book value						
At 31 August 2020	<u>51,119</u>	<u>341</u>	<u>1,582</u>	<u>97</u>	<u>97</u>	<u>53,236</u>
At 31 August 2019	<u>43,969</u>	<u>348</u>	<u>2,987</u>	<u>121</u>	<u>158</u>	<u>47,583</u>

The leasehold property was transferred to the Trust on the transfer of Robert Barnes Academy in the year. The properties of Richard Barnes Academy were valued by NPS Group and included land of £3,228,000.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

15. Fixed asset investments

Trust	Trade investments £000
Cost or valuation	
At 1 September 2019	1
	<hr/>
At 31 August 2020	1
	<hr/> <hr/>
Net book value	
At 31 August 2020	1
	<hr/> <hr/>

The academy holds 1,000 ordinary shares of £1 in TDA Developments Limited.

16. Stocks

	Group 2020 £000	Group 2019 £000	Trust 2020 £000	Trust 2019 £000
Catering	13	9	13	9
Stationery	7	7	7	7
Finished goods and goods for resale	28	28	28	28
Uniforms	171	118	171	118
	<hr/>	<hr/>	<hr/>	<hr/>
	219	162	219	162
	<hr/> <hr/>		<hr/> <hr/>	

THOMAS DEACON EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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17. Debtors

	Group 2020 £000	Group 2019 £000	Trust 2020 £000	Trust 2019 £000
Due within one year				
Trade debtors	49	101	285	94
Amounts owed by group undertakings	-	-	24	33
Other debtors	201	78	200	77
Prepayments and accrued income	824	687	824	687
	<u>1,074</u>	<u>866</u>	<u>1,333</u>	<u>891</u>

18. Creditors: Amounts falling due within one year

	Group 2020 £000	Group 2019 £000	Trust 2020 £000	Trust 2019 £000
Trade creditors	817	895	1,072	891
Other taxation and social security	-	394	-	394
Other creditors	104	105	103	106
Accruals and deferred income	1,062	877	1,047	869
	<u>1,983</u>	<u>2,271</u>	<u>2,222</u>	<u>2,260</u>
	Group 2020 £000	Group 2019 £000	Trust 2020 £000	Trust 2019 £000
Deferred income at 1 September 2019	509	427	504	420
Resources deferred during the year	649	509	649	504
Amounts released from previous periods	(509)	(427)	(504)	(420)
	<u>649</u>	<u>509</u>	<u>649</u>	<u>504</u>

Deferred income comprises Universal Free School Meals Funding of £99k (2019: £108k), Trip income of £16k (2019: £16k), Capital Funding of £nil (2019: £33k), GAG funding of £96k (2019: £59k), Rates Relief of £113k (2019: £114k), Project Grant Income of £192k (2019: £109k) Rental Income received in advanced of £nil (2019: £4k) and Other Income of £133k (2019: £66k).

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NOTES TO THE FINANCIAL STATEMENTS
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19. Creditors: Amounts falling due after more than one year

	Group	Group	Trust	Trust
	2020	2019	2020	2019
	£000	£000	£000	£000
Government grants received in advance	1,044	557	1,044	557

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

20. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds					
Unrestricted funds	516	1,143	(1,013)	-	646
Restricted general funds					
General Annual Grant (GAG)	834	30,124	(30,087)	-	871
Sponsor funds	69	-	-	-	69
Pension reserve	(13,435)	(763)	(1,730)	(454)	(16,382)
	<u>(12,532)</u>	<u>29,361</u>	<u>(31,817)</u>	<u>(454)</u>	<u>(15,442)</u>
Restricted fixed asset funds					
Restricted fixed asset funds	47,583	9,533	(3,298)	-	53,818
Total Restricted funds	<u>35,051</u>	<u>38,894</u>	<u>(35,115)</u>	<u>(454)</u>	<u>38,376</u>
Total funds	<u>35,567</u>	<u>40,037</u>	<u>(36,128)</u>	<u>(454)</u>	<u>39,022</u>

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.
- (iv) 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 the funds going forward.

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 2020.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

20. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020	2019
	£000	£000
Thomas Deacon Academy - restricted	(730)	(539)
Thomas Deacon Academy - unrestricted	2,208	1,579
Gladstone Primary Academy - restricted	1,286	909
Gladstone Primary Academy - unrestricted	(455)	(319)
Queen Katharine Academy - restricted	(329)	114
Queen Katharine Academy - unrestricted	(902)	(673)
Upwood Primary Academy - restricted	298	238
Upwood Primary Academy - unrestricted	(70)	(37)
Warboys Primary Academy - restricted	87	75
Warboys Primary Academy - unrestricted	(36)	(9)
Welbourne Primary Academy - restricted	166	98
Welbourne Primary Academy - unrestricted	(61)	(17)
Richard Barnes Academy - restricted	164	-
Richard Barnes Academy - unrestricted	(41)	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,585	1,419
Restricted fixed asset fund	53,818	47,583
Pension reserve	(16,382)	(13,435)
	<hr/>	<hr/>
Total	39,021	35,567
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

20. Statement of funds (continued)

Total cost analysis by academy

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 depreciation £000	Total 2020 £000	Total 2019 £000
Thomas Deacon Academy	8,726	3,577	122	2,729	15,154	14,477
Gladstone Primary Academy	2,403	456	59	518	3,436	3,402
Queen Katharine Academy	5,543	1,120	311	2,289	9,263	8,619
Upwood Primary Academy	637	90	20	159	906	890
Warboys Primary Academy	968	187	27	224	1,406	612
Welbourne Primary Academy	990	197	28	218	1,433	468
Richard Barnes Academy	824	284	15	167	1,290	-
Thomas Deacon Education Trust	-	-	-	-	-	98
Trust	20,091	5,911	582	6,304	32,888	28,566

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

20. Statement of funds (continued)

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
General Funds - all funds	440	1,318	(1,242)	-	-	516
Restricted general funds						
General Annual Grant (GAG)	1,509	25,892	(26,307)	(260)	-	834
Sponsor funds	69	-	-	-	-	69
Pension reserve	(6,668)	(1,035)	(1,017)	-	(4,715)	(13,435)
	(5,090)	24,857	(27,324)	(260)	(4,715)	(12,532)
Restricted fixed asset funds						
Restricted fixed asset funds	41,698	8,879	(3,254)	260	-	47,583
Total Restricted funds	36,608	33,736	(30,578)	-	(4,715)	35,051
Total funds	37,048	35,054	(31,820)	-	(4,715)	35,567

THOMAS DEACON EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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21. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	53,236	53,236
Current assets	619	3,994	582	5,195
Creditors due within one year	26	(2,010)	-	(1,984)
Creditors due in more than one year	-	(1,044)	-	(1,044)
Pension liability	-	(16,382)	-	(16,382)
Total	646	(15,442)	53,818	39,022

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	47,583	47,583
Current assets	2,412	1,835	-	4,247
Creditors due within one year	(1,896)	(375)	-	(2,271)
Creditors due in more than one year	-	(557)	-	(557)
Pension liability	-	(13,435)	-	(13,435)
Total	516	(12,532)	47,583	35,567

THOMAS DEACON EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

22. Reconciliation of net income to net cash flow from operating activities

	2020	2019
	£000	£000
Net income for the period (as per Statement of Financial Activities)	3,908	3,234
Adjustments for:		
Depreciation	3,298	3,255
Capital grants from DfE and other capital income	(871)	(237)
Interest receivable	(5)	(2)
Defined benefit pension scheme cost less contributions payable	1,465	805
Defined benefit pension scheme finance cost	265	212
Increase in stocks	(58)	(27)
(Increase)/decrease in debtors	(233)	118
Increase in creditors	225	793
Net assets and liabilities from local authority on conversion (excluding budget surplus transferred of £164,000)	(7,899)	(7,607)
Net cash provided by operating activities	95	544

23. Cash flows from investing activities

	Group	Group
	2020	2019
	£000	£000
Interest receivable	5	2
Purchase of tangible fixed assets	(288)	(497)
Capital grants from DfE Group	871	237
Net cash provided by/(used in) investing activities	588	(258)

24. Analysis of cash and cash equivalents

	Group	Group
	2020	2019
	£000	£000
Cash in hand	3,902	3,219
Total cash and cash equivalents	3,902	3,219

THOMAS DEACON EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

25. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash at bank and in hand	3,219	683	3,902
	3,219	683	3,902

26. Capital commitments

	Group 2020 £000	Group 2019 £000	Trust 2020 £000	Trust 2019 £000
Contracted for but not provided in these financial statements	154	4	154	4

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

27. Pension commitments

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

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

The Teachers' Pension Budgeting and Valuation Account

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. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2023.

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NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £2,627,000 (2019 - £1,700,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £1,662,000 (2019 - £1,409,000), of which employer's contributions totalled £1,296,000 (2019 - £1,105,000) and employees' contributions totalled £ 366,000 (2019 - £304,000). The agreed contribution rates for future years are 22.0 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	2.80	2.60
Rate of increase for pensions in payment/inflation	2.30	2.30
Discount rate for scheme liabilities	1.70	1.80
Commutation of pensions to lump sums	25.0	25.0

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27. Pension commitments (continued)

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	22.0	21.5
Females	24.0	23.5
<i>Retiring in 20 years</i>		
Males	22.7	22.4
Females	25.5	24.9

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

	2020	2019
	£000	£000
Equities	15,532	14,662
Corporate bonds	2,441	2,541
Property	3,328	2,150
Cash and other liquid assets	888	196
Total market value of assets	22,189	19,549

The actual return on scheme assets was £281,000 (2019 - £865,000).

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

	2020	2019
	£000	£000
Current service cost	(2,724)	(1,810)
Past service cost	(37)	(100)
Interest income	371	493
Interest cost	(636)	(705)
Total amount recognised in the Consolidated Statement of Financial Activities	(3,026)	(2,122)

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27. Pension commitments (continued)

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

	2020	2019
	£000	£000
At 1 September	32,984	23,509
Interest Cost	636	705
Transferred from Welbourne	-	1,213
Transferred from Warboys	-	1,064
Changes in financial assumptions re Welbourne, Warboys and Richard Barnes	(1,042)	(512)
Transferred from Richard Barnes	2,917	-
Employee contributions	366	304
Actuarial gains/losses	364	5,087
Benefits paid	(416)	(296)
Current service cost	2,724	1,810
Past service costs	37	100
At 31 August	38,570	32,984

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

	2020	2019
	£000	£000
At 1 September	19,549	16,841
Transferred from Warboys	-	373
Transferred from Welbourne	-	357
Transferred from Richard Barnes	1,112	-
Interest income	371	493
Actuarial (losses)/gains	(90)	372
Employer contributions	1,296	1,105
Employee contributions	366	304
Benefits paid	(416)	(296)
At 31 August	22,188	19,549

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	2020	2019
	£000	£000
The amounts recognised in the Balance Sheet are as follows:		
Present value of funded obligations	(38,570)	(32,984)
Fair value of scheme assets	22,188	19,549
	(16,382)	(13,435)

	2020	2019
	£000	£000
Total remeasurements recognised in Other Comprehensive Income:		
Changes in financial assumptions	(439)	(6,326)
Changes in demographic assumptions	80	1,821
New school	(1,042)	(582)
Other remeasurements	947	372
	(454)	(4,715)

28. Operating lease commitments

At 31 August 2020 the Group and the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Trust	Trust
	2020	2019
	£000	£000
Not later than 1 year	62	64
Later than 1 year and not later than 5 years	16	62
	78	126

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NOTES TO THE FINANCIAL STATEMENTS
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29. Other financial commitments

Queen Katharine Academy is a PFI school (Private Finance Initiative - a procurement method that uses private school sector investment to deliver public sector services). Therefore, Queen Katharine Academy have a PFI agreement that approximately £1.3 million will be made available each year for the services provided. Based on an expected inflationary rate of 2.5% (2019 - 2.5%) per year the commitment is expected to be;

	2020	2019
	£000	£000
Within 1 year	1,432	1,381
Between 1 and 5 years	6,096	5,876
After more than 5 years	22,355	23,649
	<u>29,883</u>	<u>30,906</u>

30. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

31. Related party transactions

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

The Trust has transacted with Bright Field Consulting Limited to deliver a leadership programme. During the year the Trust has charged £nil (2019: £12,315) for services during the year. Mr I Wigston (Trustee) is also a director and beneficial owner of Bright Field Consulting Limited (resigned 24 January 2019).

During the year the Trust transacted with Schools of Tomorrow Community Interest Company to delivery training and appraisal services that are used by the majority of academies in the Peterborough locality. During the year the Trust has charged £3,655 (2019: £7,111) for services during the year.

Membership fees are paid to the CIC in respect of services provided, the membership being based on a flat fee and an additional £1 per pupil. £2,575 (2019: £6,500) was paid by the Trust to the CIC in the year.

The transaction was conducted at arm's length, based on discussions with the trustees on the appropriate use of training and appraisal services. The CEO was not involved in these considerations. The CEO does not gain any benefit from her directorship of the CIC nor the fees paid by this Trust. The transaction was undertaken in accordance with the Trust's financial regulations and normal procurement procedures related to connected and related party transactions.

One of the Trustees is a related party of IQRA Academy to which pupils have been transferred. During the year, the Trust paid £2,850 (2019: £nil) in relation to the transfer of related pupil funds to IQRA Academy. The arrangements are applicable to all transferring schools. The trustee was not involved in the discussions relating to the transfer arrangements, which were conducted on the same terms as all other academies. Furthermore the Trust received £163 (2019: £nil) from IQRA Academy for use of its minibus.

Hayley Copas is employed at Thomas Deacon Education Trust. Hayley Copas' husband is Scott Hudson, the Director of Education of Thomas Deacon Education Trust.

Scott Hudson has no involvement in determining the consideration paid to Hayley Copas. Payments on the agreed pay scale for the role made were on normal commercial terms at the same rates as those for other staff in similar roles. There were no amounts outstanding at the balance sheet date.

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

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NOTES TO THE FINANCIAL STATEMENTS
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32. Principal Subsidiaries

Subsidiary name	TDA Development Limited
Company registration number	06435213
Basis of control	
Equity shareholding %	100%
Total assets as at 31 August 2020	£29,379
Total liabilities as at 31 August 2020	£38,463
Total equity as at 31 August 2020	£(9,084)
Turnover for the year ended 31 August 2020	£90,372
Expenditure for the year ended 31 August 2020	£(100,456)
Loss for the year ended 31 August 2020	£(10,084)

33. Transfer of existing academies into the trust

On 1 May 2020 Richard Barnes Academy converted to academy trust status under the Academies Act 2010 and all the operations, assets and liabilities were transferred to Thomas Deacon Education Trust from Peterborough City Council Local Authority for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Consolidated balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Consolidated statement of financial activities as Income from Donations and Capital Grants - 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 Consolidated statement of financial activities.

Richard Barnes Academy

	Value reported by transferring trust £000	Transfer in recognised £000
Tangible fixed assets		
Freehold property	8,662	8,662
Current assets		
Cash at bank and in hand	138	138
Liabilities		
Pensions		
Pensions - pension scheme assets	1,112	1,112
Pensions - pension scheme liabilities	(1,875)	(1,875)
Net assets	<u>8,037</u>	<u>8,037</u>