

# **The Dean Trust**

**(A Company Limited by Guarantee)**

## **Annual Report and Financial Statements**

**Year ended 31 August 2018**

Company Registration Number:  
08027943 (England and Wales)

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## Reference and Administrative Details

Members	<p>Mr B D Rigby MBE          Mr D J Palmer-resigned 16.10.17          Mr T Kapur CBE-resigned 18.12.17          Mr J T Shiels – resigned 18.06.18          Mr P J Edwards- resigned 18.06.18          Mrs D Lucas – appointed 18.06.18          Mr M Prior – appointed 18.06.18</p>
Trustees	<p>B D Rigby MBE (Chairman) - resigned 31.12.17          D J Palmer-resigned 16.10.17          T Kapur CBE (Chief Executive Officer and Accounting Officer)          J T Shiels          P J Edwards *          D McGann (Chairman)          J Bowers          Mrs A Beaumont- appointed 18.12.17          Mrs S Bagshaw- appointed 16.07.18</p>
	<p>* Trustee members of the audit committee</p>
Executive Management Team:	
<ul style="list-style-type: none"> <li>▪ Chief Executive Officer</li> <li>▪ Academies Director</li> <li>▪ Operations Director</li> <li>▪ Chief Finance Officer</li> </ul>	<p>T Kapur CBE          B Bridden          A Shakos          N David</p>
Company Name Principal and Registered Office	<p>The Dean Trust          Ashton on Mersey School          Cecil Avenue          Sale          Cheshire          M33 5BP</p>
Company Registration Number	08027943
Independent Auditor	<p>Hallidays          Riverside House          Kings Reach Business Park          Yew Street          Stockport          SK4 2HD</p>
Bankers	<p>Lloyds Bank PLC          PO Box 1000          BX1 1LT</p>
Solicitors	<p>Stone King Solicitors          13 Queen Square          Bath          BA1 2HJ</p> <p>Rowley Dickinson          Cardinal House          20 St Mary's Parsonage          Manchester          M3 2LY</p>

## Trustees Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Trust currently operates 4 primary and 5 secondary academies across our 3 hubs in the North West of England. These academies have a combined pupil capacity of 6315 pupils and had 5136 pupils on roll as recorded in census data at May 2018. It should however be noted that the number of pupils currently on roll at Dean Trust Ardwick in relation to capacity reflects its status as a growing new free school with 3 groups of pupils in Years 7,8 and 9 only.

### Structure, Governance and Management

#### Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust as incorporated on 12<sup>th</sup> April 2012. The trustees of The Dean Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Dean Trust. During the course of the year the Trust updated its Articles of Association and reconstituted its Member Board as shown in the reference and administrative details on page 2, where details of the Trustees who served during the year are also included.

#### Members' Liability

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

#### Trustees' Indemnities

Professional indemnity insurance is in place to protect trustees, governors, and officers from claims arising from negligent acts, errors or omissions occurring on Trust business.

#### Method of Recruitment and Appointment or Election of Trustees

Trustees are assessed initially by invitation, dependent upon their expertise, experience and skills, prior to a process of recruitment and appointment. Members may appoint up to 10 trustees as referenced in the Articles of Association (Article 50) and are appointed for a term of 4 years.

#### Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees are interviewed and selected for the Board to maintain robust governance and oversight throughout the Trust. On all occasions, Trustees are fully inducted into the business of the Trust to provide clear understanding of their role and responsibility as a Trustee along with understanding the detailed policies and procedures underpinning the Trust's governance arrangements. Trustees are provided with appropriate training opportunities, and regular skills audits are undertaken to ensure a breadth and balance of expertise is available to the Board.

#### Organisational Structure

The trustees are responsible for setting general policy, the strategic direction and growth of the Trust, adopting an annual plan and budget, monitoring the Trust and academies by the use of financial management and other performance information, making appointments to the Executive Management team, and presenting the Annual Report and Financial Statements for approval by the Members.

The Chief Executive Officer is the accounting officer. Operational management of the Trust is delegated to the Executive Management Team (EMT). The EMT consists of the Chief Executive Officer, Academies Director, Operations Director and Chief Finance Officer. The EMT further delegates responsibilities to the Senior Leadership

Team (SLT) of each Academy. The SLT, as appropriate to each academy, consists of the Headteacher, Deputy Headteacher and Assistant Headteachers. These managers control the Trust and academies at an executive level implementing the policies laid down by the Trustees and reporting to them. The SLT is responsible for the authorisation of spending within delegated and agreed budgets including the appointment of staff. Appointment boards for posts in the EMT always contain a trustee. Some spending control is devolved to individual members of the management team within agreed limits in the Scheme of Delegation.

The management teams include the EMT, the SLT at each academy in the Trust, the curriculum area managers and business support managers. These managers are responsible for the operational business and principal activities of all academies in the Trust, in particular organising staff, facilities and students.

The Trustees meet a minimum of 4 times a year. Local Governing Bodies, governance groups and sub-committees meet on at least a termly basis. Trustees make regular visits to all academies, attending and supporting functions. The Trust's present governance structure also facilitates periodic attendance by trustees at Local Governing Body Meetings.

The Scheme of Delegation clearly sets out and defines the responsibilities of Members, Trustees, Governors, and senior managers.

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

The remuneration of the Executive Management Team, Headteachers and other Senior Leadership Team members of each academy is set in accordance with the Trust pay policy and the pay and conditions documents for teachers and leaders. Thorough and rigorous performance management of executive and senior management personnel takes place on an annual basis. The Trust Pay Committee for the Executive Management Team and Headteachers, and the Local Governing Body Pay Committees for other academy Senior Leadership team members reviews recommendations for their pay progression and other remuneration. The Trust Pay Committee currently consists of 3 Trustees including the Chair, Mr J Shiels and Mrs A Beaumont.

### **Trade Union Facility time**

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, the Dean Trust is obliged, as an employer of sufficient size, to report information included in Schedule 2 of the Regulations in relation to

- Number of FTE employees who were relevant union officials under the definition
- Percentage of time spent by relevant union officials on union facility time
- Percentage of paybill spent on union facility time
- Time spent on paid trade union activities as a percentage of total paid facility time hours

The Trust did not employ any relevant union officials engaged in trade union facility time during the year ended 31<sup>st</sup> August 2018 and as such incurred no direct cost on this activity. The Trust is however committed to contributing to costs associated with trade union facility time for union officials employed by others in Local Authority areas in which the Trust operates. The Trust has also signed up to a Trade Union Recognition Agreement with the unions representing Trust employees, namely the ASCL, NEU, NASUWT and UNISON.

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

The Chief Executive Officer, Mr Tarun Kapur C.B.E, acts as an independent Director providing educational advice to the Board of Manchester United Foundation. Mr Kapur also acts as Chair of the FA and Premier League facilities funding panel for the Football Foundation. The Football Foundation is the UK's largest sports' charity funded by the Premier League, The Football Association and the Government, the Foundation directs £63m every year into grassroots sport. Their mission is to improve facilities, create opportunities and build communities throughout England.

Councillor Brian Rigby M.B.E. is a Trafford Councillor serving the Ashton upon Mersey ward in the Borough. Councillor Rigby is now a Member and previously acted as Chair of Trustees. He was Chair of Ashton on Mersey

School Governing Body for 26 years overseeing the growth and development of the school, leading the Governors through 4 consecutive Outstanding OFSTED inspections and acting as a National Leader of Governance supporting and advising several Governing Bodies.

Mr J T Shiels is Chief Executive of Manchester United Foundation. The goal of the Foundation is to educate, motivate and inspire future generations to build better communities for all. Part of the work involves partnerships with schools to create community hubs and to deliver a range of educational programmes to primary and secondary schools.

Mr J Bowers is joint managing director of UKFAST. The company has a stated aim to be first to the market with innovative products. Their research and development team developed load-balancing technology and they were one of the first to speed up the internet with web acceleration.

Mr P Edwards is a director of Ashton on Mersey Teaching School Limited. (AOMTSL). AOMTSL is a wholly owned subsidiary of the Dean Trust and operates as a company limited by guarantee managing the business. The relationship is two way. The Trust is able to commission support for any one of its academies and the Teaching School can commission support from any of the Trust's academies to undertake Teaching School contracts. This dynamic relationship ensures that all academies within the Trust can access high quality support whilst also benefiting from a talent pool.

The Teaching School has key performance indicators which benefit the Trust as there is a clear expectation that all members of a Teaching School alliance improve their outcomes. The onus is on the Teaching School to facilitate this, whether it be providing the necessary support, increasing expectations through sharing outstanding practice or through the development of talent management pathways.

This is mainly in relation to the activities of the Teaching School and principally involves collaborative working across a range of disciplines, primarily School to School Support, Initial Teacher Training and Professional Learning.

## Objectives and Activities

### Objects and Aims

The main objectives of the Trust during the year ended 31<sup>st</sup> August 2018 are summarised below. Trustees are pleased to report that all of these objectives have been achieved:

- To continue to review strategic growth opportunities that will achieve the Trust's mission and add value to the organisation
- To further improve the effectiveness of the academies by keeping the curriculum and organisational structures under continuous review and to work towards the objectives for all academies to achieve "Good".
- To revisit the strategic plan and update to reflect the forthcoming strategic aims and objectives of the Trust
- To further develop the Trust's approach to risk management and embed a cycle of risk review and reporting.
- To streamline the structures and processes for assessment and reporting of academic data across the Trust and hone the quality of the underpinning data management information systems.
- To fully evaluate the impact of the National Funding Formula on the current and future budgets of the Trust
- To seek and secure additional income streams from commercial opportunities that are complementary to the Trust's principal objects.
- To review the opportunity for expansion of Blacklow Brow School to 2 form entry.
- To work with the ESFA and their agents to secure land for the development of a 1200 place secondary free school in Manchester following successful application.
- To maintain strong governance of the Trust at all levels and strengthen
- To continue to develop the Trust's support systems and infrastructure in line with further growth.
- To maintain close links with industry and commerce as well as Local Authorities and to utilise those links for the benefit of the Trust and pupils.

## Objectives, Strategies and Activities

The Trust's vision is to develop and maintain a culture of excellence across our organisation that provides fantastic opportunities for the children and students in our primary and secondary academies.

The Dean Trust is an organisation that provides opportunities for staff and students alike. It embraces the local community to ensure that each Academy is at the heart. We aim for the communities in which we operate to be proud of their local Dean Trust Academy.

As we continue to grow, we are determined to remain an organisation of 'first choice'. We believe that it is important that children are able to attend an at least 'Good' local school.

The Trust's approach to this strategy includes:

- Tuition and learning opportunities for all students to attain appropriate academic qualifications
- Training and development opportunities for all staff including high quality professional learning for all Trust employees.
- A careers advisory service to help students obtain employment or move on to higher education or training.
- A wide range of enrichment opportunities including a programme of pre and after school activities.

## Public Benefit

The Trust's purpose is to advance, for public benefit, education in the UK, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, managing and developing the academies, offering a broad and balanced curriculum. The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their duties.

## Strategic Report

### Achievements and Performance

The public examination results at GCSE, post 16 and Key Stage 2 achieved by pupils at Dean Trust academies are summarised in the tables below (figures in brackets relate to 2017 results). The framework for qualifications and examinations have continued to influence the Trust's key academic performance statistics. Despite this, results have been pleasing overall with school record GCSE results in headline attainment achieved at Ashton on Mersey School and Dean Trust Wigan. The significant improvement in both Reading and Mathematics at Key Stage 2 at Forest Gate Academy is also notable. Where performance at an academy has dipped below expectations, a robust review has been undertaken and rigorous improvement plan implemented. The landscape continues to change making year on year comparability extremely difficult. The Trust has undertaken a comprehensive and thorough review of examination performance in all academies and has put steps in place to return to an upward trajectory as necessary in the forthcoming year.

### Secondary Academies

The headline results are summarised as follows:

	9-4 incl. English & Maths	5+ A*-C incl. English & Maths	Key Stage 5 A Level A* - C		Key Stage 5 BTEC D*D*D*	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
<b>Ashton on Mersey School</b>	74%	67%	81%	79%	36%	44%
<b>Broadoak School</b>	56%	52%	N/A	N/A	N/A	N/A
<b>Dean Trust Ardwick</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Lord Derby Academy</b>	34%	47.4%	N/A	N/A	N/A	N/A
<b>Dean Trust Wigan</b>	60%	45%	N/A	N/A	N/A	N/A

## Primary Academies

The percentage of pupils achieving expected level or above at Key Stage 2 are summarised as follows:

	ENGLISH				MATHS	
	2017-18		2016-17		2017-18	2016-17
<b>Forest Gate Academy</b>	R 80%	W 84%	R 62%	W 59%	92%	69%
<b>Partington Central</b>	R 81%	W 77%	R 82%	W 70%	77%	80%
<b>Blacklow Brow</b>	R 85%	W 85%	N/A	N/A	70%	N/A
<b>Park View Academy</b>	R 38%	W 61%	R 61%	W 74%	59%	66%

Other notable achievements across the Trust's academies during the period include:

- Continued upward trajectory of pupil number growth at Lord Derby Academy has been maintained with admissions to year 7 in September 2018 expected to be at the PAN level.
- Effective marketing and use of the Dean Trust brand to secure immediate year 7 pupil intake growth at Dean Trust Wigan.
- Further development of IT systems with significant investment in cutting-edge classroom AV technology to enhance teaching and learning.
- Development of a strategic capital plan and successful programme of improvements to the Trust estate afforded by the formulaic allocation of capital funds
- Financial performance meeting or exceeding the challenges of the budgetary and funding climate in the education sector.
- Achievement of "Good" in the first OFSTED inspection at Dean Trust Ardwick with the report noting outstanding leadership and governance.
- Achievement of "Good" in the scheduled OFSTED inspection of Forest Gate Academy.
- Successful conversion of Blacklow Brow School on 1<sup>st</sup> September 2017.
- Admission of a further full cohort of 240 pupils into the 4th year group at Dean Trust Ardwick from September 2018
- Continued positive engagement with the Trust's principal sponsors together with expansion of partnerships with major companies and organisations in the North West.

## Going Concern

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

## Financial Review

Most of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA in the year ended 31<sup>st</sup> August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.



The Trust also received grants from other organisations. In accordance with the Charities Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the restricted general fund and fixed asset fund. The restricted fixed asset fund balance is reduced by depreciation charges over the expected useful life of the assets concerned. Unspent income from capital grants is also carried forward at the financial year end within the fixed asset fund balance.

During the year ended 31<sup>st</sup> August 2018, total expenditure of £38.6m (2017: £34.0m) was supported by recurrent grant income from the ESFA together with other incoming resources which totalled £36.9m (2017: £31.3m). The excess of expenditure over income for the period was £1.7m (2017: £2.7m). This analysis excludes funds transferred upon conversion of Blacklow Brow School. Total funds carried forward amount to £129.2m (2017: £120.1m). This level of reserves enables the Trust to plan its future growth strategy from a solid base, at the same time providing a cushion for the potentially turbulent financial climate prevailing in the short to medium term. The Trust would wish to continue to invest prudently in the growth and development of the organisation and its infrastructure.

Unrestricted income and expenditure, exclusive of funds transferred upon conversion of Blacklow Brow School, in the year ended 31<sup>st</sup> August 2018 amounted to £1.1m (2017: £0.6m) and £0.4m (2017: £0.5m) respectively.

At 31<sup>st</sup> August 2018 the net book value of fixed assets amounted to £129.4m (2017: £122.4m). Movement in fixed assets is shown in note 13 to the financial statements. The cost of fixed asset additions in the year ended 31<sup>st</sup> August 2018 amounted to £1.8m (2017: £2.0m).

The net liability of the Trust in the Local Government Pension Scheme (LGPS) amounts to £6.9m (2017: £7.9m). It should however be noted that an immediate liability for this amount is not crystallised at the financial year end. Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013. This guarantee provides comfort to the Trustees in the event of an academy trust closure.

### **Employees and disabled persons**

The Dean Trust is an equal opportunity employer and proudly discloses this throughout its recruitment processes. The Trust welcomes applications for employment from disabled persons.

The Trust is responsive to changes to an employee's individual circumstances through becoming disabled, which includes making appropriate adjustments to working conditions. All employees of the Trust including those with disability can expect to be afforded development and career progression that befits their skills and expertise.

The Trust acknowledges the trade unions that represent all of its employees. A Joint Consultative Committee comprising of Trustees, senior leaders and employee union representatives is an established mechanism to consult employees on matters affecting their employment with the Trust.

### **Reserves Policy**

Trustees review the level of reserves on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments (including future commitments) and the type of reserves. The Trust's current level of free reserves, represented by total reserves less the amounts held in fixed asset reserve and restricted pension fund reserve is £5.95m. (2017: £4.89m)

The Trust's medium term financial forecasts, based upon current operating models and funding methodology, indicate some financial pressures at certain academies. At present there is also some uncertainty about the impact of the new National Funding Formula on future funding allocations in Trust academies within the Knowsley and Manchester local authorities who have chosen to retain the local funding formula for the financial years 2018-19 and 2019-20.

Trustees plan to apply current free reserves balances to support in year deficits as necessary alongside robust plans to align operating costs with funding levels moving forward. The objective remains to maintain a reasonable and prudent level of reserves in the future to buffer unforeseen business interruptions, provide funds for capital

investment, assist any short term cash flow pressure and support emergency requirements. This is sound commercial practice designed to safeguard the Trust's business interests and quality of education at all of its academies.

## Investment Policy

Cash balances are safeguarded by investing them in interest bearing current accounts with sound commercial banks (currently Lloyds Bank PLC).

## Principal Risks and Uncertainties

The principal risks to the Trust are documented and managed using a risk management policy and a risk register which is regularly reviewed. The process of risk and assurance has been developed during the year with a defined cycle embedded across the Trust. This allows the Board to be constantly sighted on the key strategic risks affecting the Trust and how these are linked to the strategic plan and growth strategy.

The Trust has carried out a careful review of the risks and uncertainties it faces in the forthcoming year. In summary these are viewed as:

- Pressures on growth emanating from Government policy direction for multi academy Trusts to take on additional schools
- Uncertainty of the political landscape with potential impact on the academies programme of a change in the government administration.
- Vigilance at all times to ensure robust maintenance and development of the existing approach to health, safety and safeguarding.
- Reputational damage arising from a drop in standards and academic performance
- Budgetary pressures brought about by reduced public sector education spending and funding formula changes
- Impact of changes to school performance measures in terms of curriculum structures
- Downgrading of the current OFSTED report for any Dean Trust academy following inspection
- Financial challenges associated with the one form entry limitation at Blacklow Brow School.
- Pay inflation resulting from national minimum wage increases in the short to medium term, lift of the public sector pay cap and increases to employer pension contributions to the Teachers and Local Government Pension Schemes.
- Securing a suitable site for the new UKfast/Dean Trust free school in Manchester
- Sufficiency of accommodation at Dean Trust Ardwick to meet the growth of the school.
- Maintain a consistent upward trajectory in pupil number intake at Dean Trust Wigan to grow the school to full capacity.
- Erosion of reserves to balance budgets in the short to medium term
- Succession planning within Trust governance and executive leadership

Key controls in place to mitigate these risks include:

- Forensic data and annual examination performance analysis
- Annual school improvement plans at all academies of the Trust
- Robust self-evaluation procedures and careful monitoring of teaching and learning.
- An organisational structure with clearly defined roles, responsibilities and authorisation levels
- Documented terms of reference and policies for the governance of the Trust,
- Financial planning, multi-year budgeting and regular financial reporting to Governors, the Audit Committee and Board of Trustees highlighting key areas of financial risk
- Effective internal control systems that are regularly tested and monitored

- Comprehensive internal audit processes to cover business reviews and routine health checks
- Audit Committee challenge and scrutiny
- Robust due diligence procedures in place for growth of the Trust, new contracts and commissions.
- Strengthening of the Trust's HR function to develop a comprehensive people strategy to include succession, leadership development and talent spotting.
- Continuing engagement of the Trust's project team to accelerate the UKfast/Dean Trust free school project working alongside Manchester City Council, ESFA and their agents.

## Plans for Future Periods

The Trust's plans for future periods include:

- To revisit the growth strategy in light of the changing education sector landscape particularly around free school provision, continuing to develop the excellent working relationships already enjoyed with Manchester City Council to explore opportunities in the city addressing their burgeoning growth in school place demand.
- To maintain the concentration of focus around our 3 hubs in the North West region. In this context to explore, subject to rigorous due diligence the addition of new schools into the Trust in line with the aspiration to become a medium sized regional MAT.
- To be watchful of the political landscape and the potential impact on the education sector
- To complete the re-brokerage of Rosebridge Academy into the Trust from 1<sup>st</sup> January 2019.
- To continue to work closely with the Manchester City Council, the ESFA and their agents to source and secure a suitable site for the new Dean Trust/UKfast secondary free school.
- To continue active dialogue with Manchester City Council with a view to addressing the accommodation pressures at Dean Trust Ardwick.
- To work with Knowsley Council in taking forward the Trust's plan to grow Blacklow Brow School to a 2 form entry intake.
- To keep under review the Executive Management Team structure and composition to ensure sufficient capacity to meet growth demands and is entirely robust across the Trust.
- To continue strengthen governance across the Trust via recruitment of high quality Trustees and Governors.
- To achieve at least "Good" in the anticipated OFSTED inspection at Ashton on Mersey School and Partington Central Academy.
- To continue the mathematics education strategic hubs initiative for the North West licence awarded to Ashton on Mersey School.
- To continue the improvement journey in attainment at Key stage 2 at Partington Central Academy and Park View Academy. To maintain the recovery at Blacklow Brow from falling into special measures prior to becoming a Dean Trust academy.
- To further examine governance structures and operations via integration of Local Governing Bodies within Dean Trust Hubs where appropriate and beneficial. To move further towards full electronic communication and media for Governing Body and Trust Board meetings and to develop a suitable portal in order to facilitate.
- To strive for continuous improvement in examinations results and all indicators of performance in all of the Trust's academies
- To utilise the strategic capital plan to maximise the opportunities afforded by the MAT allocation of capital funding to the Trust for improvement in the condition of the Trust estate across all academies.
- To begin Board to Board conversations with a neighbouring MAT to identify collaboration opportunities.
- To continue to address the pressures on admissions at Ashton on Mersey School of the disproportionate level of statutory admission of pupils with education health and care plans. To continue to lobby the Local Authority for more equitable distribution at other secondary schools in the Borough.

- To maintain the trajectory of growth in pupil numbers at Lord Derby Academy and Dean Trust Wigan
- To grow pupil numbers at Park View Academy.
- To continue to develop the work of the internal audit function in providing an advisory platform to inform strategies around changing business needs
- To further develop the risk management and board assurance framework as a key governance and management tool.
- To continue to update medium to long term financial forecasts to provide clarity on future financial health of the Trust particularly in the context of the roll out of the National Funding Formula
- To continue to develop robust and sustainable plans to align the operational costs of the Trust with available funding streams
- To explore and exploit business opportunities to provide additional commercial revenue stream in support of the Trust's objects.
- To further the drive for greater efficiency and economies scale as an imperative

Excellent standards of behaviour will be maintained to create well-ordered learning environments with support of students at the heart. Pupil numbers in all Dean Trust academies will be sustained or grown. Transitional arrangements for pupils entering the Trust's secondary academies will be well planned and structured, providing support for pupils at this important stage of their education. The curriculum will be broad, balanced and relevant in all key stages from Early Years to post 16 allowing all pupils and students to achieve their full potential.

Teaching and learning will have pace, purpose, variety, challenge and rigour. Pupils and students will be able to progress as a result of personalised programmes of study supported by a virtual learning environment available online. All pupils and students will be competent users of ICT, will be aware of their own strengths and weaknesses and, through assessment for learning, know how to improve their attainment and achievement.

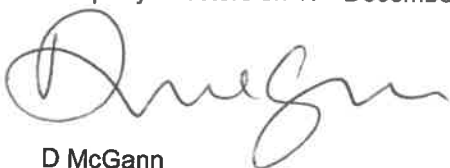
Staff will be strong and confident practitioners with appropriate professional development opportunities. Educational outcomes in all key reported performance indicators will be challenged by aspirational and robust target setting underpinned by strong governance and leadership intervention. Teaching will be at least good as evidenced by comprehensive IQTL. The strategic development of all academies in the Trust will be effectively planned, monitored and supported by well-equipped and committed local governing bodies held to account by the Board of Trustees.

## Auditor

In so far as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees as the company directors on 17<sup>th</sup> December 2018 and signed on its behalf by:



D McGann  
Chair of Trustees  
17<sup>th</sup> December 2018

## Governance Statement

### Scope of Responsibility

As Trustees we acknowledge our overall responsibility for ensuring that The Dean Trust has an effective and appropriate systems of control covering all aspects of the Trust's business activities. Such systems are designed to manage and mitigate 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 day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and that these are in accordance with the requirements and responsibilities assigned to it in the funding agreements between The Dean Trust and the Secretary of State for Education. The Chief Executive Officer is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

Trustees and Governors are well trained and are committed to attending training that enhances understanding of their responsibilities and legal function. This equips them with the knowledge to provide both challenge and support for the senior leadership teams at all of the academies in the Trust. The Scheme of Delegation balances the need for control with empowering Local Governing Bodies to be accountable for the performance of the academy that they govern.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board has seen some changes during the year most notably the appointment of a new Chair following the retirement of Councillor Brian Rigby MBE. The Board has also been keen to diversify in terms of representation and is delighted to have been able to add 2 women during the course of the year. The Board of Trustees formally met 4 times during the year ended 31<sup>st</sup> August 2018. Attendance during the period at these meetings was as follows (members who joined during the course of the year have their attendance reported as a maximum number of meetings that they could have attended following their appointment):

Trustee	Meetings attended	Out of a possible
Cllr B Rigby MBE(resigned 18.12.17)	2	2
Mr T Kapur CBE	4	4
Mr J T Shiels	4	4
Mr D Palmer (resigned 16.10.17)	0	1
Mr P J Edwards	3	4
Mr D McGann (appointed Chair 1.01.18)	4	4
Mr J Bowers	4	4
Mrs A Beaumont (appointed 18.12.17)	2	3
Mrs S Bagshaw (appointed 6.7.18)	1	1

The Board is supported by a Governance Support Officer, who also provides advice and guidance to Local Governing Bodies. The size, structure and composition of the Board and the Local Governing Bodies is constantly reviewed in light of the continued growth of the Trust. This is an ongoing process to ensure that governance remains robust and challenging as well as creating capacity for succession. In addition, a number of new Trustees and Governors have been appointed to both the Board and to Local Governing Bodies during the year with particular reference to skill sets that strengthen and enhance their work. This recruitment has been very successful and has followed the routine and ongoing skills audits undertaken by the Trust's Governance Officer. An annual conference and training event is included in the governance calendar at which all Trustees, Governors and Senior Leaders meet to review and develop the Trust's strategic plans and objectives.

The audit committee is a committee of the Board of Trustees and consists of both trustees and independent representatives. Its purpose is to support the Board in fulfilling its responsibilities with regard to financial and business risk management together with the wider internal control framework of the Trust. Meetings of the audit committee will number at least 4 during the year, The work of the committee continues to develop, focussed by clear terms of reference, reviewed annually, and this provides resilience to the Board reporting mechanisms. The committee contains 3 independent members alongside a trustee.

Attendance at meetings during the year ended 31<sup>st</sup> August 2018 was as follows:

#### Audit Committee

	Meetings attended	Out of a possible
Mr P Edwards (Trustee)	2	4
Mr G Page	4	4
Mr M Johnson	4	4
Mr T Kapur (Accounting Officer)	4	4
Mr N David	4	4
Ms M Worth (appointed 18.12.17)	2	2

Mr T Kapur and Mr N David attended these meetings in the capacity of Accounting Officer and Chief Finance Officer of the Trust respectively.

The Local Governing Body Finance Committees have met on a regular basis throughout the year. Attendance at meetings in the year ended 31<sup>st</sup> August 2018 was as follows:

#### Finance Committee- West Trafford Learning Partnership

Governor	Meetings attended	Out of a possible
Mr A McLaren	3	3
Mrs V Thorpe	3	3
Mr P Costelloe	3	3
Mr N David	3	3

Mr N David attended these meetings in the capacity of Chief Finance Officer of the Trust.

#### Finance Committee – Partington Learning Partnership

Governor	Meetings attended	Out of a possible
Miss S Smith	3	3
Mr B Bridden	3	3
Miss A Edwards	3	3
Mr G Devlin	2	3
Mr N David	3	3

Mr N David attended these meetings in the capacity of Chief Finance Officer of the Trust. Mr B Bridden and Miss A Edwards attended these meetings as lead professional advisers.

#### Finance Committee – Dean Trust Ardwick

Governor	Meetings attended	Out of a possible
Mr D Warren	3	3
Miss H Li	1	3
Mrs S Jenkins (appointed 4.10.17)	1	3
Mr N David	3	3
Mrs J Cottrell	3	3
Miss S Finlay	3	3

Mr N David attended these meetings in the capacity of Chief Finance Officer of the Trust. Miss S Finlay and Mrs J Cottrell attended these meetings as lead professional advisers

#### Finance Committee- Knowsley Learning Partnership

Governor	Meetings attended	Out of a possible
Mrs I Tuzio	3	3
Mrs A Hearn	3	3
Mr G Morgan	0	3
Mr B Bridden	2	3
Mrs P Williamson	3	3
Mrs V Gowan	3	3
Mr H Davies (resigned 16.02.18)	2	2
Mr G Latham	3	3
Mr D Taylor (appointed 6.10.17 resigned 20.07.18)	1	2
Mr D Kenny	3	3
Mrs J Williams	3	3

Mr B Bridden, Mrs V Gowan, Mr D Kenny, Mrs J Williams and Mrs P Williamson attended these meetings in their capacity as lead professional advisers.

#### Finance Committee – Dean Trust Wigan

Governor	Meetings attended	Out of a possible
Mr D Rosbottom OBE	3	4
Mr E Howell	4	4
Mrs C Snape	3	4
Mr C Edwards	3	4
Mr P Schickhoff Brown	4	4
Mr P Bousfield	4	4
Mrs P Williamson	4	4
Mrs M Finnigan	4	4

Mr P Bousfield, Mrs P Williamson and Mrs M Finnigan attended these meetings in their capacity as lead professional advisers.

### Review of Value for Money

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

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

- Enhancing the reputation of the Trust through effective positioning and brand development in the areas and communities served by our academies.
- Strengthening governance across the Trust with the appointment of additional high quality Trustees and Governors
- Increasing the profile of education and the Trust in our hub areas by developing business and partnership links via the Knowsley Place Board and Christie Hospital.
- Reviewing the structures within back office functions and central Trust services to streamline activities, reduce wastage and increase efficiency resulting in reduced central service costs charged to Trust academies from 5% to 4.1% of General Annual Grant.
- Successfully applying for MAT development and improvement funding in support of the Trust's growth plan.

- Utilising the SCITT to provide a production line of high quality newly qualified teachers into Trust academies and the teaching profession as a whole.
- Re-tender of the Trust insurance contract for a 3 year term resulting in cost neutral premiums on improved terms across the Trust and despite the significant growth in sums insured in all risk underwriting categories.
- Utilising capital funding in an "invest to save" initiative to install new LED lighting in several academies with older buildings.
- Setting up a procurement collaborative with a group of neighbouring MATs with the support of the Schools Buying Hub North West.
- Achieving targets for pupil number growth at Dean Trust Ardwick by admitting up to the PAN of 240 as the academy moves towards full capacity.
- Improving measurable outcomes in all Dean Trust academies in the context of reduced funding for education.
- Continued integration of IT systems infrastructure to strengthen resilience, eliminate duplication of maintenance and support arrangements, reduce cost of on premise hardware via migration of certain IT systems to the cloud and enable efficient implementation of Trust systems and processes into new academies.

## The Purpose of the System of Internal Control

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

## Capacity to Handle Risk

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

## The Risk and Control Framework

The 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:

- establishment of an effective and consistent assurance framework for all Governing Bodies
- thorough due diligence work around acquisition of schools into the Trust supported by the Trust's audit and legal advisers.
- 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 Board, audit committee and Local Governing Bodies of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- creating a consistency of approach in key systems and processes across the Trust to mitigate risk of local variance
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.
- internal audit reviews of business processes and risk areas.



The work of the internal audit team has been widened in scope as a result of growth in the Trust's business interests and adopts a risk based approach in determining the scope of the annual internal audit plan.

The internal audit plan includes performing a range of checks on the Trust's financial systems and internal controls. On a quarterly basis the internal auditor performs these checks and reports to the audit committee on the operation of systems of control and on the discharge of the Board of Trustees' financial responsibilities. The plan also includes thematic reviews of the Trust's overall business activities and functions.

## Review of Effectiveness

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

- the work of the Audit Committee
- the work of the internal auditor;
- the work of the external auditor;
- the financial management process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a plan to address minor weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 17<sup>th</sup> December 2018 and signed on its behalf by:



**D McGann**  
Chair of Trustees



**Tarun Kapur CBE**  
Chief Executive Officer and  
Accounting Officer

## Statement on Regularity, Propriety and Compliance

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

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

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



Tarun Kapur CBE  
Accounting Officer

17th December 2018

## Statement of Trustees' Responsibilities

The Trustees, who are responsible for governance of The Dean Trust, are the directors of the charitable company for the purposes of company law. They are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction 2017 to 2018 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

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

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

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

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

Approved by order of the members of the Board of Trustees on 17th December 2018 and signed on its behalf by:



D McGann  
Chair of Trustees

## Independent Auditor's Report on the Financial Statements to the Members of The Dean Trust

### Opinion

We have audited the financial statements of The Dean Trust for the year ended 31 August 2018, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

In our opinion the financial statements:

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

### Basis for opinion

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

### Conclusions relating to going concern

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

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

### Other information

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

## Independent Auditor's Report on the Financial Statements to the Members The Dean Trust (continued)

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 Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustee's 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Report.

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

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

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustee's Report [set out on page 19], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

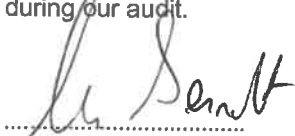
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

## Independent Auditor's Report on the Financial Statements to the Members of The Dean Trust (continued)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the academy trust to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the academy trust audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



.....  
Anna Bennett (Senior Statutory Auditor)  
For and on behalf of Hallidays, Statutory Auditor

Riverside House  
Kings Reach Business Park  
Yew Street  
Stockport  
SK4 2HD

Date: 17<sup>th</sup> December 2018

## Independent Reporting Accountant's Assurance Report on Regularity to The Dean Trust and the Education and Skills Funding Agency

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

This report is made solely to The Dean Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Dean Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Dean Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

### Respective responsibilities of The Dean Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Dean Trust's master funding agreements with the Secretary of State for Education dated 25 August 2015 and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### Approach

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure. The work undertaken to draw our conclusion includes: -

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.

- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the governing body and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the Trust Board and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

## Conclusion

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



Hallidays, Chartered Accountants  
Riverside House  
Kings Reach Business Park  
Yew Street  
Stockport  
SK4 2HD

Date: 17th December 2018



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

	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2018 £'000	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2017 £'000
<b>Income and endowments from:</b>									
Donations and capital grants	2	326	0	1,414	1,740	26	0	1,954	1,980
- Transfer from LA on conversion/academy re-brokerage	2	90	(581)	2,165	1,674	1,826	(704)	30,908	32,030
- Transfer from LA -free school land & buildings	2	0	0	0	0	0	0	23,935	23,935
Charitable activities:									
Funding for the academy/trust's educational operations	3	49	33,950	0	33,999	62	28,183	11	28,256
Teaching School	4	183	0	0	183	149	0	0	149
Other trading activities	4	548	433	0	981	351	509	0	860
Investments	5	5	0	0	5	10	0	0	10
<b>Total</b>		<b>1,201</b>	<b>33,802</b>	<b>3,579</b>	<b>38,582</b>	<b>2,424</b>	<b>27,988</b>	<b>56,808</b>	<b>87,220</b>
<b>Expenditure on:</b>									
Raising Funds	6	258	0	0	258	175	0	0	175
Charitable activities:									
A academy/trust educational operations	7	114	34,891	3,210	38,215	99	30,771	2,745	33,615
Teaching School	6	84	0	0	84	212	0	0	212
<b>Total</b>		<b>456</b>	<b>34,891</b>	<b>3,210</b>	<b>38,557</b>	<b>486</b>	<b>30,771</b>	<b>2,745</b>	<b>34,002</b>
<b>Net incoming / (expenditure)</b>		<b>745</b>	<b>(1,089)</b>	<b>369</b>	<b>26</b>	<b>1,938</b>	<b>(2,783)</b>	<b>54,063</b>	<b>53,218</b>
<b>Transfers between funds</b>	17	(78)	(361)	439	0	(522)	155	367	0
<b>Taxation</b>		(1)	0	0	(1)	0	0	0	0
<b>Other recognised gains / (losses)</b>									
Actuarial gains / (losses) on defined benefit pension schemes	17, 28	0	2,879	0	2,879	0	3,447	0	3,447
Revaluation of land and buildings	13	0	0	6,255	6,255	0	0	0	0
<b>Net movement in funds</b>		<b>666</b>	<b>1,429</b>	<b>7,063</b>	<b>9,158</b>	<b>1,416</b>	<b>819</b>	<b>54,430</b>	<b>56,665</b>
<b>Reconciliation of funds</b>									
Total funds brought forward	17	4,038	(7,093)	123,118	120,063	2,622	(7,912)	68,688	63,398
<b>Total funds carried forward</b>		<b>4,704</b>	<b>(5,664)</b>	<b>130,181</b>	<b>129,221</b>	<b>4,038</b>	<b>(7,093)</b>	<b>123,118</b>	<b>120,063</b>

All of the academy's activities derive from continuing operations during the above two financial periods.

## Consolidated Balance Sheet as at 31 August 2018

(Company Number 08027943)

	Notes	2018 £'000	2018 £'000	2017 £'000	2017 £'000
<b>Fixed assets</b>					
Intangible assets			0		0
Tangible assets	13		129,365		122,397
<b>Current assets</b>					
Stock	14	7		16	
Debtors	15	1,943		1,939	
Cash at bank and in hand		9,588		7,881	
		<u>11,538</u>		<u>9,836</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	16a	(4,698)		(4,135)	
<b>Net current assets</b>			<u>6,840</u>		<u>5,701</u>
<b>Total assets less current liabilities</b>			<u>136,205</u>		<u>128,098</u>
Creditors: Amounts falling due after more than one year	16b		(72)		(90)
<b>Net assets (excluding pension liability)</b>			<u>136,133</u>		<u>128,008</u>
Defined benefit pension scheme liability	28		(6,912)		(7,945)
<b>Total assets</b>			<u>129,221</u>		<u>120,063</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	17	130,181		123,118	
Restricted income fund	17	1,248		852	
Pension reserve	17	(6,912)		(7,945)	
<b>Total restricted funds</b>			<u>124,517</u>	<u>116,025</u>	
<b>Unrestricted income funds</b>	17		<u>4,704</u>	<u>4,038</u>	
<b>Total funds</b>			<u>129,221</u>	<u>120,063</u>	

The financial statements on pages 24 to 55 were approved by the trustees, and authorised for issue on 17th December 2018 and are signed on its behalf by



D McGann  
Chair of Trustees

## Academy Trust Balance Sheet as at 31 August 2018 (Company Number 08027943)

	Notes	2018 £'000	2018 £'000	2017 £'000	2017 £'000
<b>Fixed assets</b>					
Intangible Assets			0		0
Tangible assets	13		123,110		122,397
<b>Current assets</b>					
Stock	14	7		16	
Debtors	15	1,910		1,940	
Cash at bank and in hand		9,466		7,859	
		<u>11,383</u>		<u>9,815</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	16a	(4,617)		(4,125)	
<b>Net current assets</b>			<u>6,766</u>		<u>5,690</u>
<b>Total assets less current liabilities</b>			<u>129,876</u>		<u>128,087</u>
Creditors: Amounts falling due after more than one year	16b		(72)		(90)
<b>Net assets (excluding pension liability)</b>			<u>129,804</u>		<u>127,997</u>
Defined benefit pension scheme liability	28		(6,912)		(7,945)
<b>Total assets</b>			<u><u>122,892</u></u>		<u><u>120,052</u></u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	17	123,926		123,118	
Restricted income fund	17	1,181		852	
Pension reserve	17	(6,912)		(7,945)	
<b>Total restricted funds</b>			<u>118,195</u>		<u>116,025</u>
<b>Unrestricted income funds</b>	17		<u>4,697</u>		<u>4,027</u>
<b>Total funds</b>			<u><u>122,892</u></u>		<u><u>120,052</u></u>

The financial statements on pages 24 to 55 were approved by the trustees, and authorised for issue on 17th December 2018 and are signed on its behalf by



D McGann  
Chair of Trustees

## Statement of Cash Flows for the year ended 31 August 2018

	Notes	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	21	1,978	919
<b>Cash flows from investing activities</b>	23	(344)	(14)
<b>Cash flows from financing activities</b>	22	73	2,647
<b>Change in cash and cash equivalents in the reporting period</b>		<b>1,707</b>	<b>3,552</b>
<b>Cash and cash equivalents at 1 September 2017</b>		<b>7,881</b>	<b>4,329</b>
<b>Cash and cash equivalents at 31 August 2018</b>		<b>9,588</b>	<b>7,881</b>

## Notes to the Financial Statements for the year ended 31 August 2018

### 1. Statement of accounting policies

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

#### **Basis of Preparation**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS102)), the Academies Accounts Direction 2017 to 2018 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

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

No separate SOFA has been presented for the academy trust alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

#### **Going Concern**

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

#### **Income**

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

- **Grants**

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

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

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

- **Sponsorship Income**

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

- **Donations**

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

- **Other Income**

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

- **Donated goods, facilities and services**

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

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

- **Transfer on conversion**

Where assets are received by the trust on conversion to an academy, 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 as transfer on conversion within donations and capital grant income.

## 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 academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

### **Basis of consolidation**

The financial statements consolidate the accounts of The Dean Trust and all of its subsidiary undertakings ('subsidiaries') including Ashton on Mersey Teaching School Ltd. The Academy Trust has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own income and expenditure account.

### **Tangible Fixed Assets**

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

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

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

Leasehold land	0.8% p.a. straight-line
Buildings	2% p.a. straight-line
Temporary buildings	10% p.a. straight-line
Plant & Machinery, Hard landscaping	20% p.a. reducing balance
Fixtures, fittings and equipment	20% p.a. reducing balance
ICT	3 - 5 years straight-line
Motor Vehicles	25% p.a. 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.

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

Assets classified as land and buildings are revalued every 5 years.

### **Liabilities**

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

### **Provisions**

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

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

## Leased Assets

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

## Investments

The trust's shareholding in the wholly owned subsidiary, Ashton on Mersey Teaching School Limited, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

## Financial instruments

The academy trust only holds basic financial instruments defined in FRS102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

## Stock

Uniforms and stationery stocks are valued at the lower of cost or net realisable value.

## Taxation

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

## Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in Note 28, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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



liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other gains and losses.

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

### **Fund Accounting**

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

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

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

### **Critical accounting estimates and areas of judgement**

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pensions 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 31st August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

## 2. Donations and Capital Grants

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2018 £'000	Total 2017 £'000
Capital Grants	0	0	1,414	1,414	1,945
Fixed assets inherited upon transfer/conve	0	0	2,165	2,165	54,843
Reserves inherited upon transfer/conversio	90	(581)	0	(491)	1,122
Donations	326	0	0	326	35
	<b>416</b>	<b>(581)</b>	<b>3,579</b>	<b>3,414</b>	<b>57,945</b>

## 3. Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2018 £'000	Total 2017 £'000
<b>DfE / ESFA grants</b>					
- General Annual Grant (GAG)	0	28,399	0	28,399	23,516
- Start up Grants	0	119	0	119	0
- Other DfE / EFA Grants	0	3,779	0	3,779	3,332
National College grants	49	0	0	49	62
	<b>49</b>	<b>32,297</b>	<b>0</b>	<b>32,346</b>	<b>26,910</b>
<b>Other Government grants</b>					
- Local Authority grants	0	1,351	0	1,351	1,253
- Special educational projects	0	0	0	0	0
	<b>0</b>	<b>1,351</b>	<b>0</b>	<b>1,351</b>	<b>1,253</b>
<b>Other Income from the academy trust's educational operations</b>	0	302	0	302	93
	<b>0</b>	<b>302</b>	<b>0</b>	<b>302</b>	<b>93</b>
	<b>49</b>	<b>33,950</b>	<b>0</b>	<b>33,999</b>	<b>28,256</b>

## 4. Other Trading Activities

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2018 £'000	Total 2017 £'000
Hire of facilities	10	0	0	10	8
Catering income	67	0	0	67	68
Other income	653	434	0	1,087	933
	<b>730</b>	<b>434</b>	<b>0</b>	<b>1,164</b>	<b>1,009</b>

## 5. Investment Income

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2018 £'000	Total 2017 £'000
Short term deposits	5	0	0	5	10
	<b>5</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>10</b>

## 6. Expenditure

	Staff Costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2018 £'000	Total 2017 £'000
Expenditure on raising funds:					
- Direct costs	60	0	60	120	99
- Allocated support costs	0	131	7	138	76
Academy's educational operations:					
- Direct costs	20,780	2,158	4,593	27,531	23,277
- Allocated support costs	4,874	3,493	2,188	10,555	10,338
Teaching School	58	0	26	84	212
	<b>25,772</b>	<b>5,782</b>	<b>6,874</b>	<b>38,428</b>	<b>34,002</b>

Net income / expenditure for the year includes:

	2018 £'000	2017 £'000
Operating lease rentals	375	372
Depreciation	3,210	2,745
Loss on disposal of fixed assets	0	0
Fees payable to auditor for:		
- Audit	20	16
- Other services	1	3
	<b>3,606</b>	<b>3,136</b>

## 7. Charitable Activities

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2018 £'000	Total 2017 £'000
<b>Direct costs - educational operations</b>	33	24,982	2,516	<b>27,531</b>	23,339
<b>Support costs - educational operations</b>	81	9,909	694	<b>10,684</b>	10,276
	<b>114</b>	<b>34,891</b>	<b>3,210</b>	<b>38,215</b>	<b>33,615</b>
<b>Support costs - educational operations</b>					
Support staff costs	0	4,784	0	<b>4,784</b>	4,426
Depreciation	0	0	694	<b>694</b>	284
Loss on disposal of fixed assets	0	0	0	<b>0</b>	0
Technology costs	0	409	0	<b>409</b>	297
Recruitment and support	0	93	0	<b>93</b>	129
Maintenance of premises and equipment	0	833	0	<b>833</b>	986
Cleaning	0	507	0	<b>507</b>	599
Rent & rates	3	252	0	<b>255</b>	248
Operating leases	0	375	0	<b>375</b>	0
Water	0	249	0	<b>249</b>	236
Energy costs	0	591	0	<b>591</b>	510
Insurance	0	159	0	<b>159</b>	152
Security	0	201	0	<b>201</b>	100
Transport	0	101	0	<b>101</b>	93
Catering	67	523	0	<b>590</b>	827
Bank interest and charges	0	1	0	<b>1</b>	1
Office overheads	0	140	0	<b>140</b>	504
Other support costs	11	628	0	<b>639</b>	780
Governance costs	0	63	0	<b>63</b>	104
	<b>81</b>	<b>9,909</b>	<b>694</b>	<b>10,684</b>	<b>10,276</b>

## 8. Staff

	Total 2018 £'000	Total 2017 £'000
<b>a. Staff Costs</b>		
Staff costs during the year were:		
Wages and salaries	18,941	16,493
Social security costs	1,873	1,606
Pension costs	4,184	3,741
	<u>24,998</u>	<u>21,840</u>
Agency staff costs	724	559
Staff restructuring costs	51	358
	<u><b>25,773</b></u>	<u><b>22,757</b></u>
Staff restructuring costs comprise:		
Redundancy payments	16	117
Severance payments	32	109
Other restructuring costs	3	132
	<u><b>51</b></u>	<u><b>358</b></u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £32,244 (2017: £108,500). Individually, the payments were for £10,000 made on 15<sup>th</sup> December 2017, £6,883 made on 15<sup>th</sup> December 2017, £6,210 made on 15<sup>th</sup> March 2018, £5,035 made on 15<sup>th</sup> February 2018 and £4,116, made on 15<sup>th</sup> August 2018. (2017: £34,000, £18,350, £16826, £10177, £9000, £8122, £7100, and £4,926).

**c. Staff numbers**

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

	2018	2017
<b>Charitable activities</b>		
Teachers	288	249
Administration and support	314	308
Management	52	29
	<u>654</u>	<u>586</u>

**d. Higher paid staff**

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

	2018	2017
	No.	No.
£60,001 - £70,000	10	10
£70,001 - £80,000	1	2
£80,001 - £90,000	2	1
£90,001 - £100,000	2	2
£100,001 - £110,000	2	1
£110,001 - £120,000	0	0
£120,001 - £130,000	2	2
£130,001 - £140,000	0	0
£140,001 - £150,000	0	0
£150,001 - £160,000	0	0
£160,001 - £170,000	0	0
£170,001 - £180,000	1	1

19 of the above employees (2017: 18) participated in the Teachers' Pension Scheme. During the year ended 31<sup>st</sup> August 2018, employer pension contributions for these staff amounted to £174,005 (2017: £172,950). The other employee participated in the Local Government Pension Scheme for which employer pension contributions amounted to £15,513 (2017: £16,576).

The key management personnel of the academy trust comprise the trustees and the executive management team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £583,332 (2017: £488,843).

## 9. Central Services

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

- Governance
- Leadership support
- Financial management
- IT management
- Estates management
- HR/Payroll
- Marketing support
- Procurement management
- Group purchasing services
- Health and safety advisory services
- Training and CPD
- School improvement services

The Trust policy in charging for central services is to employ a flat percentage of 4.1% (2017:5%) of total income excluding pupil premium, high needs funding, and other specific grants or income relating to certain areas of individual academy business e.g. sponsorship or fundraising of an individual academy. The actual amounts charged during the year ended 31 August 2018 were as follows:

	2018 £'000	2017 £'000
Ashton on Mersey School	294	366
Broadoak School	115	129
Forest Gate Academy	56	64
Dean Trust Ardwick	159	125
Partington Central Academy	70	88
Lord Derby Academy	178	213
Park View Academy	51	0
Blacklow Brow School	37	0
Dean Trust Wigan	171	98
	<b>1,131</b>	<b>1,083</b>

## 10. Net income from trading activities of subsidiary company

Ashton on Mersey Teaching School Limited, a company incorporated in England and Wales with an allotted, called up and fully paid Ordinary share capital (£1 shares), is a wholly owned subsidiary of The Dean Trust. The company has been consolidated into the Trust financial statements. The business activities of Ashton on Mersey Teaching School Limited and its relationship with the Dean Trust is described on pages 4 and 5 of the Trustees report.

	2018 £'000	2017 £'000
Turnover	232	209
Other operating charges	(170)	(227)
Inter group transactions	0	0
<b>Net profit</b>	<b>62</b>	<b>(18)</b>
Tax on profits	0	0
<b>Transfer to reserves</b>	<b>62</b>	<b>(18)</b>

## 11. Related Party Transactions – Trustees' remuneration & expenses

One trustee has been paid remuneration or has received other benefits from an employment with the academy trust. The Chief Executive and Group Academy Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive and Group Academy Principal and staff under their contracts of employment, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

T Kapur (Chief Executive Officer and Trustee):

Remuneration	£175,001 - £180,000 (2017: £170,001 - £175,000)
Employer pension contributions	£0 (2017: £0)

During the period ended 31 August 2018, travel and subsistence expenses totalling £416 (2017: £1,263) were reimbursed to 1 trustee (2017: 2 trustees), in accordance with the Trust's policy.

Other related party transactions involving the trustees are set out in note 29.

## 12. Trustees' and Officers' Insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 amounted to £1,960 (2017: £1,612). The cost of this insurance is included in the total insurance cost.

## 13. Tangible Fixed Assets

In accordance with the accounting policy

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Plant, furniture and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total 2018 £'000
<b>Cost</b>						
At 1 September 2017	66,472	61,060	3,852	1,824	38	133,246
Asset reclassification	(750)	711	39	0	0	0
Transferred on conversion	0	2,165	0	0	0	2,165
Additions	0	384	1,049	327	3	1,763
Revaluations	5,771	484	0	0	0	6,255
Disposals	0	0	(3)	0	0	(3)
As at 31 August 2018	<b>71,493</b>	<b>64,804</b>	<b>4,937</b>	<b>2,151</b>	<b>41</b>	<b>143,426</b>
<b>Depreciation</b>						
At 1 September 2017	5,864	2,538	1,427	982	38	10,849
Asset reclassification	0	0	0	0	0	0
Charged in year	1,080	1,229	543	358	0	3,210
Disposals	0	0	0	0	0	0
As at 31 August 2018	<b>6,944</b>	<b>3,767</b>	<b>1,970</b>	<b>1,340</b>	<b>38</b>	<b>14,059</b>
<b>Net book values</b>						
As at 31 August 2018	<b>64,549</b>	<b>61,037</b>	<b>2,967</b>	<b>811</b>	<b>3</b>	<b>129,367</b>
At 31 August 2017	60,608	58,522	2,425	842	0	122,397

In accordance with the Trust's accounting policy, (see page 30), the land and buildings assets at Ashton on Mersey School (freehold), Broadoak School (freehold) and Forest Gate Academy (leasehold) were revalued as at 31<sup>st</sup> August 2018. The movement in these valuations is shown in note 13 above and uses the Depreciated Replacement Cost method of valuation as the basis. The valuations were undertaken as a desktop review by Fisher Hargreaves Proctor Limited property consultants. The same company undertook the original valuation of these assets in the period ending 31<sup>st</sup> August 2013.

#### 14. Stock

	Group		Academy Trust	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Uniform	0	0	0	0
Stationery	7	16	7	16
	<u>7</u>	<u>16</u>	<u>7</u>	<u>16</u>

#### 15. Debtors

	Group		Academy Trust	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Trade debtors	205	145	167	128
Amounts owed by group undertakings	0	0	4	21
Accrued income	648	736	646	736
VAT recoverable	509	507	512	507
Other debtors	2	14	2	14
Prepayments	579	537	579	534
	<u>1,943</u>	<u>1,939</u>	<u>1,910</u>	<u>1,940</u>

#### 16. Creditors

##### a) Amounts falling due within one year

	Group		Academy Trust	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Trade creditors	2,010	1,329	2,008	1,326
Taxation and social security	473	441	473	441
Other creditors	397	383	397	383
Other creditors - SALIX Loan	18	18	18	18
Accruals and deferred income	1,800	1,964	1,721	1,957
	<u>4,698</u> 0	<u>4,135</u>	<u>4,617</u> 0	<u>4,125</u>

	Group		Academy Trust	
	2018 £	2017 £	2018 £	2017 £
<b>Deferred income</b>				
Deferred income at 1 September	1,102	603	1,101	633
Resources deferred in the year	635	1,102	635	1,101
Amounts released from previous years	(968)	(603)	(968)	(633)
Deferred income at 31 August	<u>769</u>	<u>1,102</u>	<u>768</u>	<u>1,101</u>

At the balance sheet date, the Trust was holding funds received in advance for NCTL collaborative funding, ESFA funding, Local Authority funding, School Games Organiser funding, Sponsorship income and advance receipts for school trips.



## b) Amounts falling due after more than one year

	<b>Group</b>		<b>Academy Trust</b>	
	<b>2018</b> <b>£'000</b>	<b>2017</b> <b>£'000</b>	<b>2018</b> <b>£'000</b>	<b>2017</b> <b>£'000</b>
SALIX Loan	<u>72</u>	<u>90</u>	<u>72</u>	<u>90</u>
	<b>72</b>	<b>90</b>	<b>72</b>	<b>90</b>

The Trust received £144,704 of SALIX funding relating to capital projects in the year ended 31<sup>st</sup> August 2015. SALIX funding is an interest free loan approved by the Education and Skills Funding Agency (ESFA) and is repayable in equal instalments over 8 years. The repayments due on the 1<sup>st</sup> September 2018 and 1<sup>st</sup> March 2019 are included in other creditors in note 16a.

**Loan Analysis**

	<b>Group</b>		<b>Academy Trust</b>	
	<b>2018</b> <b>£'000</b>	<b>2017</b> <b>£'000</b>	<b>2018</b> <b>£'000</b>	<b>2017</b> <b>£'000</b>
Due in less than one year	18	18	18	18
Due in more than one year but less than two	18	18	18	18
Due in two to five years	54	55	54	55
Due in more than five years	<u>0</u>	<u>17</u>	<u>0</u>	<u>17</u>
	<b>90</b>	<b>108</b>	<b>90</b>	<b>108</b>

## 17. Funds

	Balance at 1 September 2017 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
<b>Restricted general funds</b>					
General annual grant (GAG)	13	28,399	(27,642)	(361)	409
Start up grant	0	119	(119)	0	0
Pupil Premium	0	2,258	(2,258)	0	0
Other DfE/ESFA grants	0	1,521	(1,521)	0	0
Other	0	2,086	(2,086)	0	0
Inherited on transfer/conversion	839	0	0	0	839
Pension reserve	(7,945)	(581)	(1,136)	2,750	(6,912)
	<b>(7,093)</b>	<b>33,802</b>	<b>(34,762)</b>	<b>2,389</b>	<b>(5,664)</b>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	93,925	2,165	(1,900)	0	94,190
Valuation	23,486	0	(449)	6,255	29,292
DfE/ESFA capital grants	2,722	1,414	(347)	0	3,789
Local Authority capital funds	955	0	(285)	0	670
Capital expenditure from GAG / Restricted Funds	1,229	0	(208)	439	1,460
Capital expenditure from unrestricted funds	136	0	(4)	0	132
Other Capital Funds	665	0	(17)	0	648
Private sector capital sponsorship	0	0	0	0	0
	<b>123,118</b>	<b>3,579</b>	<b>(3,210)</b>	<b>6,694</b>	<b>130,181</b>
<b>Total restricted funds</b>	<b>116,025</b>	<b>37,381</b>	<b>(37,972)</b>	<b>9,083</b>	<b>124,517</b>
<b>Unrestricted funds</b>					
Unrestricted funds	2,212	1,111	(456)	(78)	2,789
Transfer on conversion	1,826	90	0	0	1,916
<b>Total unrestricted funds</b>	<b>4,038</b>	<b>1,201</b>	<b>(456)</b>	<b>(78)</b>	<b>4,705</b>
<b>Total funds</b>	<b>120,063</b>	<b>38,582</b>	<b>(38,428)</b>	<b>9,005</b>	<b>129,222</b>

The figures above refer to the consolidated balance sheet including the reserves of Ashton on Mersey Teaching School Limited, which amount to £73,313 (2017: £10,703).

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

Restricted general funds are those resources designated as restricted by the grant provider in meeting the objects of the Trust. Restricted fixed asset funds are those funds relating to the long term assets of the Trust used in delivering the objectives of the Trust. Unrestricted funds are funds that the Trustees may use in the pursuance of the Trust's objectives and are expendable at the discretion of the Trustees.

Under funding agreements with the Secretary of State for Education, the Trust is not subject to a limit on the amount of General Annual Grant (GAG) carry forward at 31 August 2018.

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

	Balance at 1 September 2016 £'000	Incoming Resources £'000	Resources Expended £'000	Gains losses and transfers £'000	Balance at 31 August 2017 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	801	23,516	(24,459)	155	13
Start up grant	0	0	0	0	0
Pupil premium	0	2,075	(2,075)	0	0
Other DfE/ESFA grants	0	3,101	(3,101)	0	0
Other	0	0	0	0	0
Inherited on transfer/conversion	0	839	0	0	839
Pension reserve	(8,713)	(1,543)	(1,136)	3,447	(7,945)
	<b>(7,912)</b>	<b>27,988</b>	<b>(30,771)</b>	<b>3,602</b>	<b>(7,093)</b>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	64,612	30,908	(1,595)	0	93,925
Valuation	0	23,935	(449)	0	23,486
DfE/ESFA capital grants	1,681	1,289	(248)	0	2,722
Local Authority capital funds	1,210	11	(266)	0	955
Capital expenditure from GAG/ Restricted Funds	1,023	0	(161)	367	1,229
Capital Expenditure from unrestricted funds	162	0	(26)	0	136
Other Capital funds	0	665	0	0	665
Private sector capital sponsorship	0	0	0	0	0
	<b>68,688</b>	<b>56,808</b>	<b>(2,745)</b>	<b>367</b>	<b>123,118</b>
<b>Total restricted funds</b>	<b>60,776</b>	<b>84,796</b>	<b>(33,516)</b>	<b>3,969</b>	<b>116,025</b>
<b>Unrestricted funds</b>					
Unrestricted funds	2622	598	(486)	(522)	2212
Transfer on conversion	0	1826	0	0	1826
<b>Total unrestricted funds</b>	<b>2622</b>	<b>2424</b>	<b>(486)</b>	<b>(522)</b>	<b>4038</b>
<b>Total funds</b>	<b>63398</b>	<b>87220</b>	<b>(34,002)</b>	<b>3447</b>	<b>120063</b>

A current year 12 months and prior year 12 months combined positions is as follows:

	Balance at 1 September 2016 £'000	Incoming Resources £'000	Resources Expended £'000	Gains losses and transfers £'000	Balance at 31 August 2018 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	801	51,915	(52,048)	(206)	462
Start up grant	0	119	0	0	119
Pupil premium	0	4,333	(4,333)	0	0
Other DfE/ESFA grants	0	4,622	(6,880)	0	(2,258)
Other	0	2,086	0	0	2,086
Inherited on transfer/conversion	0	839	0	0	839
Pension reserve	(8,713)	(2,124)	(2,272)	6,197	(6,912)
	<b>(7,912)</b>	<b>61,790</b>	<b>(65,533)</b>	<b>5,991</b>	<b>(5,664)</b>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	64,612	33,073	(3,495)	0	94,190
Valuation	0	23,935	(898)	6,255	29,292
DfE/ESFA capital grants	1,681	2,703	(595)	0	3,789
Local Authority capital funds	1,210	11	(551)	0	670
Capital expenditure from GAG/ Restricted Funds	1,023	0	(369)	806	1,460
Capital Expenditure from unrestricted funds	162	0	(30)	0	132
Other Capital funds	0	665	(17)	0	648
Private sector capital sponsorship	0	0	0	0	0
	<b>68,688</b>	<b>60,387</b>	<b>(5,955)</b>	<b>7,061</b>	<b>130,181</b>
<b>Total restricted funds</b>	<b>60,776</b>	<b>122,177</b>	<b>(71,488)</b>	<b>13,052</b>	<b>124,517</b>
<b>Unrestricted funds</b>					
Unrestricted funds	2,622	1,709	(942)	(600)	2,789
Transfer on conversion	0	1,916	0	0	1,916
<b>Total unrestricted funds</b>	<b>2,622</b>	<b>3,625</b>	<b>(942)</b>	<b>(600)</b>	<b>4,705</b>
<b>Total funds</b>	<b>63,398</b>	<b>125,802</b>	<b>(72,430)</b>	<b>12,452</b>	<b>129,222</b>

## 18. Analysis of Net Assets between Funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total Funds
	£'000	£'000	£'000	£'000
Tangible fixed assets	0	0	129,365	129,365
Current assets	4,704	5,928	906	11,538
Current liabilities	0	(4,680)	(18)	(4,698)
Non-current liabilities	0	0	(72)	(72)
Pension scheme liability	0	(6,912)	0	(6,912)
	<b>4,704</b>	<b>(5,664)</b>	<b>130,181</b>	<b>129,221</b>

The figures above refer to the consolidated balance sheet including the reserves of Ashton on Mersey Teaching School Limited.

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

	Unrestricted Funds	Restricted general funds	Restricted fixed asset funds	Total funds 2017
	£'000	£'000	£'000	£'000
Tangible fixed assets	0	0	122397	122397
Current assets	4038	4969	829	9836
Current liabilities	0	(4,117)	(18)	(4,135)
Non current liabilities	0	0	(90)	(90)
Pension scheme liability	0	(7,945)	0	(7,945)
	<b>4038</b>	<b>-7093</b>	<b>123118</b>	<b>120063</b>

The figures above refer to the consolidated balance sheet including the reserves of Ashton on Mersey Teaching School Limited.

## 19. Capital Commitments

	2018 £'000	2017 £'000
Contracted but not provided in the financial statements	47	80
	<b>47</b>	<b>80</b>

Capital commitments contracted for but not provided for in the financial statements relate to:

External canopy works at Dean Trust Ardwick - £31,000  
 Trampoline at Ashton on Mersey School - £2,280  
 Pupil inclusion facility at Dean Trust Ardwick - £4,092  
 Visitor management system at Blacklow Brow School - £3,325  
 Door access system at Park View Academy - £6,361

A further sum of £484164 (2017: £nil) was authorised but not contracted at 31 August 2018.

## 20. Financial Commitments

### Operating Leases

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

	2018 £'000	2017 £'000
Amounts due within one year	263	342
Amounts due between one and five years	108	296
Amounts due after five years	0	0
	<b>371</b>	<b>638</b>

### PFI Commitments

Lord Derby Academy is a PFI school operating from a site that opened in September 2009 under a 25 year PFI contract. Upon the conversion of Lord Derby Academy on 1<sup>st</sup> February 2014, the Trust contracted with Knowsley MBC to discharge the financial obligations of unitary charges for the remainder of the contract. The unitary charges amount to £1,344,106 subject to annual indexation using RPI. Based on current values, at 31 August 2018 the Trust had unitary charge commitments as follows for the remaining 16 years of the PFI contract:

	2018 £	2017 £
<b>PFI Commitments</b>		
Amounts due within one year	1,344	1,297
Amounts due within one and five years	5,376	5,188
Amounts due after five years	14,784	15,564
	<b>21,504</b>	<b>22,049</b>

## 21. Reconciliation of Net Income/ (Expenditure) to Net Cash Inflow from Operating Activities

	2018 £'000	2017 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	154	53,218
Adjusted for:		
Depreciation (note 13)	3,210	2,745
Loss on disposal of fixed assets	3	4
Donations - inherited fixed assets	(2,255)	(57,508)
Capital grants from DfE/ESFA and other capital income	(1,414)	(1,965)
Interest receivable (note 5)	(5)	(10)
Defined benefit pension scheme obligation inherited	581	1,543
Defined benefit pension scheme cost less contributions payable (note 28)	917	921
Defined benefit pension scheme finance cost (note 28)	219	215
(Increase) / decrease in stocks	9	34
(Increase) / decrease in debtors	(4)	282
Increase / (decrease) in creditors	563	1,440
<b>Net cash inflow from operating activities</b>	<b>1,978</b>	<b>919</b>

## 22. Cash Flows from Financing Activities

	2018 £'000	2017 £'000
Repayments of borrowing	(18)	(18)
Cash inflows from new borrowing	0	0
Cash transferred upon academy conversion	91	2,665
<b>Net cash provided by / (used in) financing activities</b>	<b>73</b>	<b>2,647</b>

## 23. Cash Flows from Investing Activities

	2018 £'000	2017 £'000
Dividends, interest and rents from investments	5	10
Purchase of tangible fixed assets	(1,763)	(1,989)
Capital grants from DfE/ESFA	1,414	1,289
Capital grants from sponsors and others	0	676
Proceeds from sale of tangible fixed assets	0	0
<b>Net cash provided by / (used in) investing activities</b>	<b>(344)</b>	<b>(14)</b>

## 24. Analysis of Cash and Cash Equivalents

	At 1 September 2017 £'000	Cash flows £'000	At 31 August 2018 £'000	2017 £'000
Cash in hand and at bank	7,881	707	8,588	7,881
Notice deposits	0	1,000	1,000	0
	<b>7,881</b>	<b>1,707</b>	<b>9,588</b>	<b>7,881</b>

## 25. Guarantees, letters of comfort and indemnities

No transactions arose

## 26. Contingent Liabilities

During the life of the funding agreement, in the event of the sale or disposal by other means of any asset for which a government capital grant was received, the Trust is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the funding agreement, whether as a result of the Secretary of State or the Trust serving notice, the Trust shall repay to the Secretary of State sums determined by reference to:

- a) the value at that time of the academy's site and premises and other assets held for the purpose of the academy and
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the funding agreement.

## 27. 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.

## 28. Pension and Similar Obligations

The employees of the Academy Trust 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. Non-teaching staff are members of the Greater Manchester Pension Fund (GMPF) administered by Tameside Metropolitan Borough Council for Ashton on Mersey School, Broadoak School, Forest Gate Academy, Partington Central Academy, Dean Trust Ardwick, and Dean Trust Wigan, and the Merseyside Pension Fund (MPF) administered by Wirral Borough Council for Lord Derby Academy, Park View Academy and Blacklow Brow School. Both pension schemes are multi-employer defined-benefit schemes.

The pension cost is assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2015 and of the most recent LGPS valuations for both the GMPF and MPF were carried out in 2016 for implementation of new employer contribution rates from 1<sup>st</sup> April 2017.

There were no outstanding or prepaid contributions at the beginning or end of the period.

### **Teachers' Pension Scheme**

#### ***Introduction***

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

#### ***Valuation of the Teachers' Pension Scheme***

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2015 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% scheme administration charge (previously 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations



- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The TPS valuation for 2015 determined an employer rate of 16.48% from September 2015 including a 0.08% scheme administration charge. During the previous the employer contribution rate was 14.1%. The next valuation of the TPS will be as at March 2019, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The pension cost paid to TPS in the year ended 31<sup>st</sup> August 2018 amounted to £3,185,994 (2017: £2,436,055). These amounts include employer and employee contributions for the year ended 31<sup>st</sup> August 2018 of £2,015,129 and £1,170,865 respectively (2017: £1,536,480 and £899,575)

A copy of the valuation report and supporting documentation is on the **Teachers' Pensions website**.

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

### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. Contributions to the scheme are determined by a qualified actuary and based upon triennial valuations using the projected unit method. The total contribution made for the year ended 31 August 2018 was £1,262,959 (2017: £1,135,110), of which employer's contributions totalled £910,415 (2017: £828,880) and employees' contributions totalled £352,544 (2017: £306,230). An additional lump sum of £146,332 (2017: £116,239) was paid by the employer to MPF in respect of those employees that are members of the scheme administered by MPF. The agreed employee contribution rates are banded from 5.5% to 12.5%.

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

#### Greater Manchester Pension Fund

	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.2%	3.2%
Rate of increase for pensions in payment/inflation	2.4%	2.4%
Discount rate for scheme liabilities	2.8%	2.5%
Inflation assumption (CPI)	2.4%	2.4%
Commutation of pensions to lump sums (pre-April 2008 service)	55.0%	55.0%
Commutation of pensions to lump sums (post-April 2008 service)	80.0%	80.0%

#### Merseyside Pension Fund

	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.6%	3.7%
Rate of increase for pensions in payment/inflation	2.2%	2.2%
Discount rate for scheme liabilities	2.8%	2.4%
Inflation assumption (CPI)	2.1%	2.2%
Commutation of pensions to lump sums (pre-April 2008 service)	50.0%	50.0%
Commutation of pensions to lump sums (post-April 2008 service)	50.0%	50.0%

The scheme liabilities are sensitive to changes in the principal actuarial assumptions. The table below shows the increase in scheme liabilities that would be experienced.

	<b>At 31 August 2018</b>	<b>At 31 August 2017</b>
	<b>£000</b>	<b>£000</b>
0.5% decrease in real discount rate	3,358	3,052
0.5% increase in the salary increase rate	655	691
0.5% increase in the pension increase rate	2,812	2,465

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

#### **Greater Manchester Pension Fund**

	<b>At 31 August 2018</b>	<b>At 31 August 2017</b>
<i>Current pensioners:</i>		
Males	21.5 years	21.5 years
Females	24.1 years	24.1 years
<i>Future pensioners:</i>		
Males	23.7 years	23.7 years
Females	26.2 years	26.2 years

#### **Merseyside Pension Fund**

	<b>At 31 August 2018</b>	<b>At 31 August 2017</b>
<i>Current pensioners:</i>		
Males	22.0 years	21.9 years
Females	24.8 years	24.7 years
<i>Future pensioners:</i>		
Males	25.0 years	24.9 years
Females	27.8 years	27.7 years

The Trust's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equities	12,207	11,318
Bonds	2,921	2,525
Property	1,320	970
Cash	1,913	996
Total market value of assets	18,361	15,809
Present value of scheme liabilities - Funded	(25,273)	(23,754)
<b>Deficit in the scheme</b>	<b>(6,912)</b>	<b>(7,945)</b>

The actual return on scheme assets was £535,000 (2017: £1,648,000).

#### Amounts recognised in the Statement of Financial Activities

	2018 £000	2017 £000
Current service cost	917	921
Past service cost	129	0
Interest income	(415)	(259)
Interest cost	634	474
Expected return on pension scheme assets	0	0
Past service cost	0	0
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	0	33
Total amount recognised	<b>1,265</b>	<b>1,169</b>

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

	Ashton on Mersey School		Broadoak School		Forest Gate Academy		Dean Trust Ardwick		Partington Central Academy		Dean Trust Wigan	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000	2018 £'000	2017 £'000	2018 £'000	2017 £'000	2018 £'000	2017 £'000	2018 £'000	2017 £'000
<b>At 1 September</b>	<b>9,991</b>	<b>10,121</b>	<b>2,709</b>	<b>3,097</b>	<b>854</b>	<b>980</b>	<b>282</b>	<b>70</b>	<b>1,185</b>	<b>0</b>	<b>3,847</b>	<b>0</b>
Upon conversion	0	0	0	0	0	0	0	0	0	1,021	0	3,538
Current service cost	737	803	176	232	106	90	261	197	170	155	284	104
Interest cost	261	221	70	68	23	22	11	4	32	23	100	38
Employee contributions	121	139	26	34	15	14	41	28	26	20	44	19
Actuarial (gain)/loss	(780)	(1,221)	(212)	(716)	(106)	(251)	(87)	(17)	(151)	(34)	(491)	151
Benefits paid	(78)	(90)	(21)	(21)	(1)	(1)	0	0	0	0	(7)	(3)
Plan introductions, benefit changes, curtailments and settlements	103	18	16	15	0	0	0	0	0	0	4	0
<b>At 31 August</b>	<b>10,355</b>	<b>9,991</b>	<b>2,764</b>	<b>2,709</b>	<b>891</b>	<b>854</b>	<b>508</b>	<b>282</b>	<b>1,262</b>	<b>1,185</b>	<b>3,781</b>	<b>3,847</b>

	Lord Derby Academy		Park View Academy		Blacklow Brow School		Total Funds	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000	2018 £'000	2017 £'000	2018 £'000	2017 £'000
<b>At 1 September</b>	<b>3,298</b>	<b>3,255</b>	<b>1,588</b>	<b>1,469</b>	<b>0</b>	<b>0</b>	<b>23,754</b>	<b>18,992</b>
Upon conversion	0	0	0	0	754	0	754	4,559
Current service cost	284	213	93	95	74	0	2,185	1,889
Interest cost	80	67	39	31	18	0	634	474
Employee contributions	50	38	17	17	13	0	353	309
Actuarial (gain)/loss	(325)	(252)	(156)	(24)	-72	0	(2,380)	(2,364)
Benefits paid	(42)	(23)	(1)	0	0	0	(150)	(138)
Plan introductions, benefit changes, curtailments and settlements	0	0	0	0	0	0	123	33
<b>At 31 August</b>	<b>3,345</b>	<b>3,298</b>	<b>1,580</b>	<b>1,588</b>	<b>787</b>	<b>0</b>	<b>25,273</b>	<b>23,754</b>

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

	Ashton on Mersey School		Broadoak School		Forest Gate Academy		Dean Trust Ardwick		Partington Central Academy		Dean Trust Wigan	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>At 1 September</b>	<b>7,949</b>	<b>6,594</b>	<b>2,454</b>	<b>2,142</b>	<b>788</b>	<b>629</b>	<b>164</b>	<b>39</b>	<b>841</b>	<b>0</b>	<b>2,535</b>	<b>0</b>
Upon conversion	0	0	0	0	0	0	0	0	0	660	0	2,356
Interest income	204	143	63	46	20	14	6	2	22	15	65	18
Return on plan assets (excluding net interest on the net defined pension liability)	241	797	75	154	25	89	7	15	26	85	77	90
Actuarial (gain)/loss	0	0	0	0	0	0	0	0	0	0	0	0
Employee contributions	121	139	26	34	15	14	41	28	26	20	44	19
Employer contributions	394	366	169	99	41	43	106	80	70	61	120	55
Benefits paid	(78)	(90)	(21)	(21)	(1)	(1)	0	0	0	0	(7)	(3)
Plan introductions, benefit changes, curtailments and settlements	0	0	0	0	0	0	0	0	0	0	0	0
<b>At 31 August</b>	<b>8,831</b>	<b>7,949</b>	<b>2,766</b>	<b>2,454</b>	<b>888</b>	<b>788</b>	<b>324</b>	<b>164</b>	<b>985</b>	<b>841</b>	<b>2,834</b>	<b>2,535</b>

	Lord Derby Academy		Park View Academy		Blacklow Brow School		Total Funds	
	2018	2017	2018	2017	2018	2017	2018	2017
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>At 1 September</b>	<b>683</b>	<b>429</b>	<b>395</b>	<b>446</b>	<b>0</b>	<b>0</b>	<b>15,809</b>	<b>10,279</b>
Upon conversion	0	0	0	0	173	0	173	3,016
Interest income	19	11	11	10	5	0	415	259
Return on plan assets (excluding net interest on the net defined pension liability)	24	45	13	(159)	5	0	493	1,116
Actuarial (gain)/loss	0	0	0	0	0	0	0	0
Employee contributions	50	38	17	17	13	0	353	309
Employer contributions	230	183	85	81	53	0	1,268	968
Benefits paid	(42)	(23)	(1)	0	0	0	(150)	(138)
Plan introductions, benefit changes, curtailments and settlements	0	0	0	0	0	0	0	0
<b>At 31 August</b>	<b>964</b>	<b>683</b>	<b>520</b>	<b>395</b>	<b>249</b>	<b>0</b>	<b>18,361</b>	<b>15,809</b>

## 29. Related Party Transactions

The charity is controlled by the Trustees who are directors of the company.

Owing to the nature of the academy trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook 2017 and with academy trust's financial regulations and normal procurement procedures.

The following related party transactions took place in the period of account:

### Expenditure Related Party Transactions

Manchester United Foundation – a charity in which T Kapur, a Trustee and Chief Executive Officer, is a Trustee, and J Shiels, a Trustee, is the Chief Executive. The Manchester United Foundation operates a football in the community hub at Dean Trust Ardwick and Dean Trust Wigan. This links with the football development plan for Ardwick and Wigan respectively and their neighbouring communities run by the academies. The cost of the football hub at both Dean Trust Ardwick and Dean Trust Wigan amounted to £25,000 for each hub (2017: £25,000 which related to a hub at Broadoak School which ceased at 31<sup>st</sup> August 2017) and predominantly related to the employment of a football hub development officer at each of the hubs by the Manchester United Foundation. The Foundation also operates a Primary Stars Programme, which attracts contributory funding from the Premier League. During the year Partington Central Academy and Forest Gate Academy were engaged in this programme and incurred costs of £4,500 and £2,495 respectively. There were no outstanding amounts due to the Manchester Foundation at 31 August 2018 (2017: £nil).

UKFAST- a private company in which J Bowers, a Trustee, is the joint managing director. UKFAST is a digital company offering cloud and data centre services, dedicated server and hosting, security and IT solutions. The Trust purchased hosting services and rack space amounting to £11,790 during the year ended 31<sup>st</sup> August 2018 (2017: £nil). There were no amounts outstanding at 31<sup>st</sup> August 2018 (2017: £nil).

Ashton on Mersey Teaching School Limited- a wholly owned subsidiary of The Dean Trust. Under the terms of a shared services agreement, the Dean Trust provides staff to enable Ashton on Mersey Teaching School Limited to conduct its business for which agreed recharges are made. A sum of £58,414 was recharged in the year ended 31 August 2018 (2017: £90,712). Ashton on Mersey Teaching School Limited undertakes business from a base at the Ashton on Mersey School premises. A recharge for occupancy and other ancillary support costs such as reprographics is made and amounted to £12,480 in the year ended 31 August 2018 (2017: £48,772). A total of £3729 was outstanding at 31 August 2018 (2017: £20,723) Ashton on Mersey Teaching School Limited provides continuing professional development to staff within The Dean Trust Schools and a charge is made for these development activities. In the year ended 31 August 2018 this totalled £585 (2017: £18,583).

### Income Related Party Transactions

The Football Foundation – a charity in which T Kapur, a trustee and Chief Executive Officer, is chairman of the FA and Premier League facilities funding panel. In the year ended 31<sup>st</sup> August 2018 there were no related party transactions arose. In the year ended 31<sup>st</sup> August 2017, Dean Trust Ardwick submitted a bid for funding for the construction of a sports pavilion with an estimated total project cost of £750,000. T Kapur withdrew from all parts of the grant application process and subsequent assessment by The Football Foundation. The Football Foundation awarded a grant of £656,098 in the financial year ended 31<sup>st</sup> August 2017 towards the development of the pavilion. This amount is shown as capital income (see note 2) in the year ended 31 August 2017. There were no monies outstanding at 31<sup>st</sup> August 2018 (2017: £149,770). The total outturn cost for the project amounted to £750,332, with the balance of the cost met from the other income and reserves balances of Dean Trust Ardwick

### 30. Fund balances

Fund balances at 31 August 2018 were allocated as follows:

	2018 £'000	2017 £'000
Ashton on Mersey School	1,690	1,229
Ashton on Mersey Teaching School Limited	73	11
Broadoak School	(225)	(247)
Forest Gate Academy	504	266
Partington Central Academy	490	436
Dean Trust Ardwick	653	228
Lord Derby Academy	287	776
Park View Academy	17	(7)
Blacklow Brow School	230	0
Dean Trust Wigan	2,233	2,198
<b>Total before fixed asset and pension reserve</b>	<b>5,952</b>	<b>4,890</b>
Restricted fixed asset fund	130,181	123,118
Pension reserve	(6,912)	(7,945)
<b>Total</b>	<b>129,221</b>	<b>120,063</b>

Blacklow Brow School joined the Trust during this financial year. Park View Academy joined the Trust on 1<sup>st</sup> January 2016 with an expenditure base which was not covered by income. The Trust took action to return the academy budget to a surplus over time. Immediate improvements were made in the financial year ended 31<sup>st</sup> August 2017. Financial health of the academy has been further restored and the academy reserves balance has been returned to positive at 31<sup>st</sup> August 2018. The financial position at Broadoak School has been similarly addressed. The upward trend in pupil numbers has been maintained for the second year in succession. Alongside a tight financial management and further pupil number growth, the academy is expected to rebuild balances and return to an overall positive reserves position over time.

#### 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	Depreciation £'000	Total 2018 £'000	Total 2017 £'000
The Dean Trust	482	529	70	695	21	1,797	1,772
Ashton on Mersey School	5,335	847	1,597	1,063	544	9,386	9,802
Broadoak School	1,955	270	267	575	432	3,499	3,677
Forest Gate Academy	814	171	126	216	114	1,441	1,528
Dean Trust Ardwick	2,388	371	288	614	734	4,395	3,337
Partington Central Academy	1,228	187	152	252	143	1,962	2,085
Lord Derby Academy	3,951	630	456	1,556	532	7,125	6,549
Park View Academy	931	186	92	232	90	1,531	1,628
Blacklow Brow School	657	131	77	121	38	1,024	0
Dean Trust Wigan	3,038	477	453	519	563	5,050	2,316
<b>Total funds</b>	<b>20,779</b>	<b>3,799</b>	<b>3,578</b>	<b>5,843</b>	<b>3,211</b>	<b>37,210</b>	<b>32,694</b>

### 31. Academy Conversion

On 1 September 2017 Blackow Brow School (formerly Blacklow Brow Primary School) converted to academy status under the Academies Act 2010 and all of the operations and assets and liabilities were transferred to The Dean Trust from Knowsley MBC for £nil consideration. Blacklow Brow Primary School land and buildings transferred under a long lease of 125 years with a peppercorn rent of £nil.

The Blacklow Brow School transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

	<b>Unrestricted Funds £'000</b>	<b>Restricted General Funds £'000</b>	<b>Restricted Fixed Asset Funds £'000</b>	<b>Total 2018 £'000</b>
<b>Blacklow Brow School</b>				
Leasehold land & buildings	0	0	2,165	<b>2,165</b>
Other fixed assets	0	0	0	<b>0</b>
Surplus on LA funds	90	0	0	<b>90</b>
LGPS pension deficit	0	(581)	0	<b>(581)</b>
<b>Total funds</b>	<b>90</b>	<b>(581)</b>	<b>2,165</b>	<b>1,674</b>

### 32. Agency Arrangements

The Trust distributes 16-19 bursary funds and school centred initial teacher training (SCITT) bursaries to students as an agent for the Education and Skills Funding Agency (ESFA). In the financial year ending 31 August 2018 the Trust received £13,935 (2017: £10,557) of 16-19 bursaries and £152,000 (2017: £186,000) of SCITT bursaries. It disbursed £14,851 (2017: £12,557) (cash and in kind) and £143,300 (2017: £142,600) from the respective funds. An amount of £9,900 (2017: £43,400) is included in other creditors relating to undistributed SCITT funds that is repayable to the ESFA.

### 33. Events after the balance sheet date

The Trust were invited by the Regional Schools Commissioner's Office in September 2018 to become the preferred sponsor for the re-brokerage of Rosebridge Academy, Wigan from Community First Academies Trust. The Trust commenced formal due diligence work to consider this invitation. At a meeting of the Board of Trustees on 15<sup>th</sup> October 2018, it was resolved to formally pursue the re-brokerage and to commence the legal process to effect the transfer of Rosebridge Academy by 1<sup>st</sup> January 2019.



## 34. Teaching School Trading Account

	2017/18 £'000	2017/18 £'000	2017/18 £'000	2016/17 £'000	2016/17 £'000	2016/17 £'000
<b>Income</b>						
<b>Direct Income</b>						
Other income		49			62	
<b>Other Income</b>						
Fundraising and other trading activities		183			147	
<b>Total Income</b>			232			209
<b>Expenditure</b>						
<b>Direct Costs</b>						
Direct staff costs	39			55		
Staff development	5			2		
Other direct costs	87			69		
<b>Total Direct Costs</b>		131			126	
<b>Other Costs</b>						
Support staff costs	19			36		
Depreciation	0			0		
Technology costs	0			0		
Recruitment and support	0			0		
Security and support	0			0		
Other support costs	17			63		
Share of governance costs	3			2		
<b>Total Other Costs</b>		39			101	
<b>Total Expenditure</b>			(170)			(227)
Transfers between funds excluding depreciation			0			0
<b>Surplus/(Deficit) from all sources</b>			62			(18)
<b>Teaching School balances at 1 September 2017</b>			0			0
<b>Teaching School balances at 31 August 2018</b>			62			(18)