

Company Registration Number: 09050439 (England & Wales)

BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019



**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 11
Governance Statement	12 - 14
Statement on Regularity, Propriety and Compliance	15
Statement of Trustees' Responsibilities	16
Independent Auditors' Report on the Financial Statements	17 - 19
Independent Reporting Accountant's Report on Regularity	20 - 21
Statement of Financial Activities Incorporating Income and Expenditure Account	22
Balance Sheet	23
Statement of Cash Flows	24
Notes to the Financial Statements	25 - 49

BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	D Roberts, Chair of Trustees ³ S Bowerman, Chair of Resources Committee ^{1,3} G Hearn ² J Hicks (resigned 31 December 2018) ^{3,4} M Pitcher (appointed 18 October 2018, resigned 3 May 2019) ¹ S Poulton, Chair of Audit Committee ² P Santer ¹ A Woodhouse (resigned 15 October 2018) ²
Members	Salisbury Diocese Board of Education, represented by D Roberts D Roberts J Triffitt A Woodhouse (appointed 15 October 2018) ¹ Resources Committee ² Audit Committee ³ Standing Committee ⁴ Education Committee
Company registered number	09050439
Company name	Blandford Education Trust
Principal and registered office	Spetisbury Church of England Primary School Spetisbury Blandford Forum Dorset DT11 9DF
Chief executive officer	J Hicks (resigned 31 December 2018) M Lacey (appointed 1 January 2019)
Senior management team	J Hicks, Chief Executive Officer, (resigned 31 December 2018) M Lacey, Chief Executive Officer, (appointed 1 January 2019) H Pugh, Business Manager D Lasbury-Carter, Headteacher A Brown, Headteacher S Johnstone, Clerk to Trustees V Deverill, Acting Headteacher
Independent auditors	Bishop Fleming Bath Limited Chartered Accountants Statutory Auditors Minerva House Lower Bristol Road Bath BA2 9ER

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Solicitors	Taylor Culshaw 60 High Street Burnham on Sea Somerset TA8 1AG
-------------------	---

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 3 primary academies in the Blandford Forum area of Dorset. The academies have a combined pupil capacity of 840 and had a roll of 752 in the school census on 1 October 2019.

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 Trust.

The Trustees of Blandford Education Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Blandford Education Trust.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

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 they ceased to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Trust. The Trust became a member of the Risk Protection Arrangement from 1 July 2015 and hence this indemnity is now unlimited subject to a £500,000 limit for libel and slander.

Trade Union Facility Time

Relevant union officials

There were no employees who were relevant union officials during the period.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

On 21 May 2014 the Members appointed Trustees that served as governors of the predecessor schools within the Trust to be Trustees of the newly formed Multi-Academy Trust.

The Board of Trustees shall have not less than three and not more than twelve Trustees as set out in its Articles of Association and funding agreement, including:

- up to 9 Trustees who are appointed by the members, the majority of whom shall be Foundation Trustees;
- the Chief Executive Officer who is treated for all purposes as being an ex officio Trustee; and
- Trustees who are employees of the Company subject to the total number of employee Trustees not exceeding one third of the total number of Trustees.

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Trustees are appointed for a four year term. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include an opportunity to tour the Trust schools and a chance to meet staff and pupils. All Trustees are given access to copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only one or two new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The Trust Board normally meets once each half term. The Board establishes an overall framework for the governance of the Multi Academy Trust and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are committees of the Trust Board as follows;

- Resources Committee - this is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management and drafting the annual budget. The Committee will receive reports from local academy resource meetings;
- Audit Committee - this is responsible for compliance with reporting and regulatory requirements, reviewing internal audit reports and considering the Risk Management of the Trust. From September 2019 it has been agreed to combine the Audit Committee with the Resources Committee;
- Education Committee - this meets to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues. This committee is chaired by the CEO of the Trust and will invite all Academy Headteachers; and
- Standing Committee – this meets prior to the Trust Board to preview and prioritise the key business agenda. The committee is authorised by the Trust Board to take actions or decisions that would normally require the authority of the Trust Board, but which must be made between meetings of the Trust Board. Any such action or decision will be reported to the Trust Board at its next meeting.

In addition the Local Governing Bodies of each Academy within the Trust are committees of the Trust Board. The primary focus of Local Governing Bodies is that of support and challenge to the Headteacher and school to ensure the best possible outcomes for all pupils.

The following decisions are reserved to the Trust Board: to consider any proposals for changes to the status or constitution of the Trust and its committee structure, to appoint or remove the Chairman to appoint Academy Headteachers and Clerk to the Trustees, to approve the Annual Development Plan and budget.

The Trust Board are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Trust and Academies within the Trust by the use of budgets and other data, and making major decisions about the direction of the Trust, capital expenditure and staff appointments.

The Trust has a leadership structure which consists of the Trustees, The Senior Management of the Trust and Senior Leadership teams within each Academy. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

The Senior Management Team of the Trust comprises the Chief Executive Officer (who is the Accounting Officer of the Academy Trust) and the Business Manager. Following the resignation of the Chief Executive Officer (CEO) in December 2018, the Trust agreed to purchase the services of an Interim CEO, from a local Trust, to provide all functions of the CEO and Accounting Officer, whilst the future of the Trust was considered.

The Trust have devolved responsibility for day to day management of each Academy within the Trust to the Headteacher and Senior Leadership Team (SLT) within each Academy. The Senior Leadership Team (SLT) consists of the Headteacher and senior staff as appropriate to each setting. The SLT controls the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Headteacher of each Academy is responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control may be devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Governor.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees, Academy Headteachers and the Trust Business Manager comprise the key management personnel of the Trust in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee (excluding employed Trustees) received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings.

The Trustees benchmark against pay levels in other Academies of a similar size. The benchmark is the mid-point of the range paid for similar roles adjusting for a weighting for any additional responsibilities.

Connected Organisations, including Related Party Relationships

The Salisbury Diocesan Board of Education is empowered under article 50B to appoint Trustees.

There are no other related parties which either control or significantly influence the decisions and operations of Blandford Education Trust. There are no sponsors or formal Parent Teacher Associations associated with the Academy.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Trust is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum. This will include Church of England Schools and other Academies whether with or without a designated religious character.

The vision of Blandford Education Trust is for it to be known as the provider of educational excellence at the heart of its community by ensuring:

- Every child achieves the best possible outcomes in all aspects of their learning, so that they move forward from our schools with the knowledge, skills, confidence and ambition to fulfil their potential;
- Every member of staff is valued as part of a dynamic, forward thinking team that thrives on collaboration, creativity and innovation, and is inspired by proactive and effective leadership;
- Every member of our school community has an understanding of faith, and strong personal values rooted in our Christian foundations that they can carry with them throughout their lives; and
- The Trust Board is viewed as an exemplar in the provision of governance and administrative service to schools.

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Objectives, Strategies and Activities

Key priorities for the year include:

- Through cross school support to continue to develop the professional skills of all staff and strengthen the role of middle leaders within the Trust;
- To continue to promote effective governance across the Trust, ensuring appropriate challenge is embedded in local governance;
- To provide continued support to all schools, alongside Ofsted monitoring visits and with reference to year end results, to secure the best possible outcomes for all pupils;
- To continue to develop the spirituality of all children within the Trust and ensure all academies are fully prepared for SIAMS inspections; and
- To explore opportunities for the future of the Trust, including options to combine with another Trust.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Trust's aims and objectives and in planning its future activities.

The Trust aims to advance for the public benefit, education in Blandford Forum and the surrounding area. The Trust will continue to support work with local network schools, including academies external to the Trust and maintained schools.

The Trust will continue to make facilities available for public use outside normal school hours for the benefit of the local communities.

STRATEGIC REPORT

Achievements and Performance

The Trust has been in operation since 1 July 2014. The total number of pupils on roll in the Trust in October 2019 is 752 (October 2018: 734).

Archbishop Wake CE Primary School is a 2 form entry school. Following the assessment by Ofsted in Spring 2017 that this is a good school, the school has continued to be ranked in the top 10% of Dorset schools for performance. The number of children on roll in October 2019 is 412, just short of the full capacity of the school of 420.

82% of children on roll in Early Years Foundation Stage achieved Good Level of Development in the assessment and 88% of year 1 children on roll met the standard for Year 1 phonics.

	No of pupils in year 2	EXP	GD	No of pupils in year 6	EXP	GD	Progress Score
Reading	60	85%	33%	59	95	41	+3.8
Writing	60	75%	18%	59	93	24	+1.6
SPAG				59	95	53	
Maths	60	87%	30%	59	97	29	+1.8

Blandford St Mary CE Primary School. This school was assessed to be "Good" by Ofsted in Spring 2019, having demonstrated significant improvement since its previous Ofsted inspection. The number of children on roll in October 2019 is 181 (October 2018, 171).

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

78% of children on roll in Early Years Foundation Stage achieved Good Level of Development in the assessment and 93% of year 1 children on roll met the standard for Year 1 phonics.

	No of pupils in year 2	EXP	GD	No of pupils in year 6	EXP	GD	Progress Score
Reading	28	80	27	25	88	24	+0.1
Writing	28	73	13	25	84	24	+1.3
SPAG				25	80	40	
Maths	28	80	17	25	84	16	-1.3

Spetisbury CE Primary School has 159 children on roll in October 2019 (October 2018, 148). As the most rural Academy within the Trust this school currently has children from out of catchment areas making up 50% of the school roll.

78% of children on roll in Early Years Foundation Stage achieved Good Level of Development in the assessment and 83% of year 1 children on roll met the standard for Year 1 phonics.

	No of pupils in year 2	EXP	GD	No of pupils in year 6	EXP	GD	Progress Score
Reading	26	77	19	24	92	46	+2.2
Writing	26	73	0	24	79	29	+0.1
SPAG				24	79	46	
Maths	26	69	4	24	79	29	-0.3

All schools within Blandford Education Trust produce Academy Improvement Plans to ensure continued success, whilst also targeting the required areas of improvement, through appropriate and tailored CPD and school to school support within the Trust. This is subject to monitoring from the Chief Executive Officer of the Trust.

* EXP represents the achieved expected level of attainment.

** GD represents the achieved greater depth.

Key Performance Indicators

In addition to a review of performance against assessment targets for each school the Trust Board receive regular financial summaries of school performance.

As General Annual Grant (GAG) funding, which is the main funding stream for the Trust, is based on pupil numbers this is the key performance indicator for review. The Trust includes rural schools within which the pupil numbers can fluctuate significantly year on year. The Trust ensures that resources are utilised appropriately to take account of these fluctuations. It is anticipated that the number of pupils within the Trust will remain stable in the forthcoming years.

Some academies within the Trust have a high proportion of upper pay scale teachers, which increase pay costs. The Trust has overall control of Academy cash reserves, ensuring that deposit balances are used wherever possible.

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

The following KPI's for the Trust for the year ended 31 August 2019 are noted:

	Archbishop Wake Primary School	Blandford St Mary Primary School	Spetisbury Primary School	Central Reserves	Blandford Education Trust
Pupil numbers October 2019	412	181	159	-	752
Pupil numbers October 2018	415	171	148	-	734
Number of classes October 2019	14	7	7	-	-
Average pupil number per class October 2018	29.4	25.9	22.7	-	-
Total revenue reserves at 31 August 2019	£307k	£132k	£85k	£47k	£571k
Ratio of staff pay costs to GAG funding, y/e 31 August 2019	82%	82%	81%	-	-
Cash balances at the year end, including those held on deposit	£57k	£38k	£37k	£545k	£678k

Going Concern

As described in note 2.2, on 1 January 2020 the Academy Trust will transfer its academies, together with all assets and liabilities, to Diocese of Salisbury Academy Trust. From that date, the Trust will cease all activities. Accordingly, these accounts are prepared on a basis other than as a going concern.

FINANCIAL REVIEW

Financial Review

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Trust's accounting policies.

During the year ended 31 August 2019, the Trust received total income of £3,433,740 and incurred total expenditure of £3,373,278 (excluding the fixed asset and pension reserve). The excess of income over expenditure for the year was £60,462.

At 31 August 2019 the net book value of fixed assets was £1,104,024 and movements are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

Key financial policies in operation during the year include the Financial Procedures Policy which lays out the framework for financial management, including financial responsibilities of the Board, Headteachers, managers, budget holders and other staff and the Financial Scheme of Delegation.

The Trust continues to face financial pressures, experienced across the sector, with rising staff costs, due to pay and pension contribution increase, forecast in forthcoming years. The uncertainty around funding adds a further limitation to forecasting. The Trust is committed to using the most probable assumptions for both short term and long term forecasting, will ensure that these assumptions are known and understood by relevant parties and will review forecasts as data is made available.

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Reserves Policy

The Trust Board Reserves Policy requires that revenue reserves equivalent to the sum of 10% of current annual funding of all of the schools are held in support of unforeseen events and to mitigate the risk of monthly funds not being received from the ESFA. These reserves are known as Protected Reserves. Revenue reserves in excess of the Protected reserves will be held by the Board of Trustees and will be available to all Academies at the discretion of the Trust Board. These reserves are known as Investment Reserves.

Due to fluctuations in pupil numbers it is possible that academies may predict in year deficit budgets. These will only be approved by the Trust if appropriate action is taken to ensure that a break even position is forecast in future periods and the Trustees agree that it is right to meet the deficit from available Investment Reserves for the benefit of the pupils at that Academy.

Local Academy Governing Bodies can ask the Trust for access to Investment Reserves for a specific purpose, but it is up to the Trust whether requests are granted as they have the responsibility for securing the financial stability of the Trust as a whole. Uses that will be considered include, but are not limited to:

- Contribution to in-year budget deficits arising from fluctuations in pupil numbers;
- Contribution to capital projects, including IT and building projects; and
- Investment in future educational initiatives

Total reserves of the Trust (excluding the pension deficit) amount to £1,675,470, although of this £1,104,024 is invested in fixed assets. The remaining balance of £437,116 unrestricted funds and £134,330 unspent restricted funds are monitored by the Trust in accordance with the Reserves policy.

The defined benefit pension scheme reserve had a negative balance on conversion and continues to have a negative balance at 31 August 2019. Contributions are reviewed every 3 years.

Investment Policy

The Trust are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Business Manager within strict guidelines approved by the Board of Trustees.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Trust are as follows:

Strategic and Reputational - the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers and ensuring pupils make good progress in all Trust school. To mitigate this risk Trustees ensure that pupil success and achievement are closely monitored and reviewed.

Financial - the Trust has considerable reliance on continued Government funding through the ESFA. Whilst there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms, the Trust will continue to ensure strong budgetary control and the maintenance of an appropriate level of reserves.

Operational and Compliance - the risks in this area arise from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trust ensure appropriate reviews are conducted, both internally and through external review to assess the effectiveness of controls and ensure that appropriate measures are in place to mitigate these risks.

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trust has agreed a Risk Management Policy and a Risk Register. The Risk Register is reviewed by the Audit Committee of the Trust Board.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas and have implemented systems to assess and minimise those risks where appropriate. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Resource Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in note 24 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

FUNDRAISING

The Trust does not engage in fundraising in its own name. Each Academy within the Trust benefits from Friend of School associations which conduct fundraising on behalf of the academy. The Friend of School Associations are not directly linked with the Trust.

PLANS FOR FUTURE PERIODS

The Trust has applied for the schools within Blandford Education Trust to join the Diocese of Salisbury Academy Trust from 1 January 2020. This decision has been made following an extensive period of consultation to ensure that the best possible outcomes for pupils and staff within the schools are delivered. The application has been approved by the Regional Schools Commissioner.

Until its cessation the Trust remains committed to ensuring provision of outstanding education and improving the levels of performance of its pupils at all levels. The Trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Trust will continue to encourage collaboration amongst Trust Academies to improve the educational opportunities for all pupils and the wider community.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust and its Trustees do not act as the Custodian Trustees of any other Charity.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

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

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

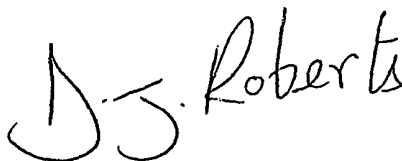
**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

AUDITORS

The auditors, Bishop Fleming Bath Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the Board of Trustees on 4 December 2019 and signed on their behalf by:

D Roberts
Chair of Trustees

A handwritten signature in black ink, appearing to read 'D. Roberts', is written over the printed name and title.

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Trustees has delegated the 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 in accordance with the requirements and responsibilities assigned to it in the funding agreement between Blandford Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Trustees has formally met 5 times during the year.

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

Trustee	Meetings attended	Out of a possible
D Roberts	5	5
S Bowerman	5	5
G Hearn	2	5
J Hicks	2	2
M Pitcher	2	2
S Poulton	5	5
P Santer	5	5

The Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to have oversight on behalf of the Board in matters concerning the financial activities of the Trust and to ensure transparency of financial activities across the Trust, through the co-opting of Local Governing Body members to the committee.

Attendance of Trustees at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Bowerman, Chair of Resource Committee	2	2
M Pitcher	1	1

The Audit Committee is also a sub-committee of the main Board of Trustees. Its purpose is to investigate any activity within its terms of reference or as specifically delegated to it by the Board and specifically to maintain an oversight of the Trust's governance, risk management, internal control and value for money framework.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S Poulton	2	2
S Bowerman, Chair of Resource Committee	2	2
P Santer	1	2

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY

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

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

- Continuing to ensure that all opportunities to share resources, including staff development, are taken across the Trust;
- Ensuring all opportunities for cross - Trust purchasing of goods and services are considered to minimise costs; and
- Reviewing provision for staff absence insurance, to inform the decision to self-insure for the 18/19 academic year.

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 Blandford Education Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The 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 Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to complete this function through appointing S Bowerman, a Trustee, to perform specific internal assurance reviews. Following the decision of the Trust to join another Trust, the programme of internal assurance was suspended pending the introduction of new systems.

The internal reviewer's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems.

All reports are reviewed by the Audit Committee. The Audit Committee will advise the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Trust has acknowledged the need for the majority of Academy procedures to be made consistent throughout the Trust, but recognises that some variations will exist across the Trust as necessitated by the specific setting.

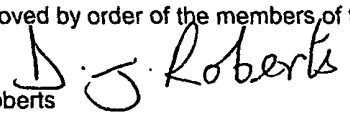
REVIEW OF EFFECTIVENESS

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

- the work of the internal reviewer;
- the work of the external auditors;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to ensure appropriate continuation of the systems is in place until such time as the Trust is dissolved.

Approved by order of the members of the Board of Trustees on 4 December 2019 and signed on their behalf by:


D Roberts
Chair of Trustees


M Lacey
Accounting Officer

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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.



M Lacey
Accounting Officer
Date: 4 December 2019

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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 of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees on 4 December 2019 and signed on its behalf by:

D Roberts
Chair of Trustees



**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

OPINION

We have audited the financial statements of Blandford Education Trust (the 'Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

**EMPHASIS OF MATTER- FINANCIAL STATEMENTS PREPARED ON A BASIS OTHER THAN
GOING CONCERN**

We draw attention to the Trustees' report and the disclosures made in note 2.2 to the financial statements, which explain that the Academy Trust plans to cease to operate on 1 January 2020 and will transfer all of its assets and liabilities to Diocese of Salisbury Academy Trust on this date. Accordingly, the accounts have been prepared on a basis other than going concern. Our opinion is not modified in respect of this matter.

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

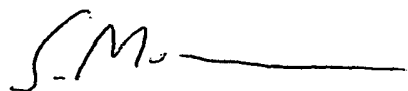
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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



Simon Morrison FCA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming Bath Limited
Chartered Accountants
Statutory Auditors
Minerva House
Lower Bristol Road
Bath
BA2 9ER

Date: 16/12/2019

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BLANDFORD
EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 15 January 2015 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Blandford Education Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF BLANDFORD EDUCATION TRUST'S ACCOUNTING
OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Blandford Education Trust's funding agreement with the Secretary of State for Education dated 26 June 2014 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

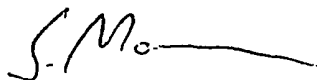
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

CONCLUSION

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



Simon Morrison FCA (Reporting Accountant)

Bishop Fleming Bath Limited
Minerva House
Lower Bristol Road
Bath
BA2 9ER

Date: 16/12/2019

BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed assets funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:						
Donations and capital grants	4	22,278	221,265	13,237	256,780	231,702
Charitable activities	5	13,067	3,122,230	-	3,135,297	3,131,113
Other trading activities	6	52,282	-	-	52,282	42,045
Investments	7	2,618	-	-	2,618	1,948
TOTAL INCOME		90,245	3,343,495	13,237	3,446,977	3,406,808
EXPENDITURE ON:						
Charitable activities	8	43,077	3,558,201	63,700	3,664,978	3,592,680
TOTAL EXPENDITURE		43,077	3,558,201	63,700	3,664,978	3,592,680
NET INCOME/ (EXPENDITURE)		47,168	(214,706)	(50,463)	(218,001)	(185,872)
Transfers between funds	19	-	(29,990)	29,990	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		47,168	(244,696)	(20,473)	(218,001)	(185,872)
Actuarial losses on defined benefit pension schemes	24	-	(287,000)	-	(287,000)	340,000
NET MOVEMENT IN FUNDS		47,168	(531,696)	(20,473)	(505,001)	154,128
RECONCILIATION OF FUNDS						
Total funds brought forward		389,948	(1,391,974)	1,124,497	122,471	(31,657)
Net movement in funds		47,168	(531,696)	(20,473)	(505,001)	154,128
TOTAL FUNDS CARRIED FORWARD		437,116	(1,923,670)	1,104,024	(382,530)	122,471

The notes on pages 25 to 49 form part of these financial statements.

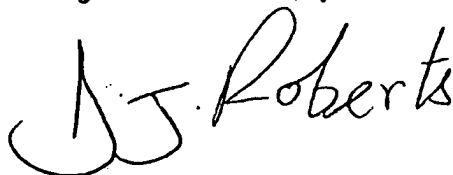
**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:09050439**

**BALANCE SHEET
AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	15	1,104,024	1,124,497
		<u>1,104,024</u>	<u>1,124,497</u>
CURRENT ASSETS			
Debtors	16	110,944	119,887
Cash at bank and in hand		678,139	659,401
		<u>789,083</u>	<u>779,288</u>
CREDITORS: amounts falling due within one year	17	(217,637)	(238,314)
NET CURRENT ASSETS		<u>571,446</u>	<u>540,974</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,675,470</u>	<u>1,665,471</u>
Defined benefit pension scheme liability	24	(2,058,000)	(1,543,000)
TOTAL NET ASSETS		<u><u>(382,530)</u></u>	<u><u>122,471</u></u>
FUNDS OF THE ACADEMY TRUST			
Restricted funds:			
Fixed asset funds	19	1,104,024	1,124,497
Restricted income funds	19	134,330	151,026
		<u>1,238,354</u>	<u>1,275,523</u>
Restricted funds excluding pension asset	19	1,238,354	1,275,523
Pension reserve	19	(2,058,000)	(1,543,000)
Total restricted funds	19	<u>(819,646)</u>	<u>(267,477)</u>
Unrestricted income funds	19	<u>437,116</u>	<u>389,948</u>
TOTAL (DEFICIT)/FUNDS		<u><u>(382,530)</u></u>	<u><u>122,471</u></u>

The financial statements on pages 22 to 49 were approved by the Trustees, and authorised for issue on 04 December 2019 and are signed on their behalf, by:

D Roberts
Chair of Trustees



The notes on pages 25 to 49 form part of these financial statements.

BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	21	5,834	67,720
CASH FLOWS FROM INVESTING ACTIVITIES	22	12,904	(56,164)
CHANGE IN CASH AND CASH EQUIVALENTS		18,738	11,556
Cash and cash equivalents at the beginning of the year		659,401	647,845
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	23	<u>678,139</u>	<u>659,401</u>

The notes on pages 25 to 49 form part of these financial statements

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. GENERAL INFORMATION

Blandford Education Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Spetisbury Church of England Primary School, Spetisbury, Blandford Forum, Dorset, DT11 9DF.

2. 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.

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

2.2 GOING CONCERN

As described in note 28, all of the assets, liabilities and activities of the Academy Trust will transfer to Diocese of Salisbury Academy Trust on 1 January 2020. From that date, this Academy Trust will cease all activities. Accordingly, these accounts are prepared on a basis other than as a going concern. However, given that the academies will be carried on by Diocese of Salisbury Academy Trust, no adjustments to, or reclassifications of, the amounts included in these accounts have been required.

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. ACCOUNTING POLICIES (continued)

2.3 INCOME

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

2.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

• **Expenditure on raising funds**

This includes all expenditure incurred by the 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 Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. ACCOUNTING POLICIES (continued)

2.5 TAXATION

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

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

2.6 TANGIBLE FIXED ASSETS

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Long term leasehold land	- over the term of the lease
Long term leasehold property	- 2% straight line
Furniture and equipment	- 20% straight line
Computer equipment	- 33% straight line

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

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.

Where the Trust occupies land and buildings owned by the Diocese of Salisbury and other charitable Trusts under a Church Supplemental Agreement, the Trust does not recognise these land and buildings as tangible fixed assets. The Supplemental Agreement includes the right for the Trustees of the Diocese of Salisbury to give not less than two years written notice to the Trust and the Secretary of State for Education to terminate the agreement. No such written notice has been received as at the date of the approval of the financial statements.

2.7 DEBTORS

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

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. ACCOUNTING POLICIES (continued)

2.8 CASH AT BANK AND IN HAND

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

2.9 LIABILITIES AND PROVISIONS

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

2.10 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment.

2.11 OPERATING LEASES

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

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. ACCOUNTING POLICIES (continued)

2.12 PENSIONS

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

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

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

2.13 FUND ACCOUNTING

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the 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 Department for Education Group.

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

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

Operating leases

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

Critical accounting estimates:

Rent donated

Under the Church Supplemental Agreements between the Trust and the Board of Education of the Diocese of Salisbury and other charitable Trusts the Trust is given rent free use of certain land and buildings. The Academy Accounts Direction 2018 to 2019 requires that an appropriate notional donation of rent is recognised in the financial statements. This rent has been estimated as the equivalent of the annual depreciation charge on the value of the land and buildings.

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

4. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	22,278	234,502	256,780	231,702
Total 2018	6,902	224,800	231,702	

5. FUNDING FOR THE TRUST'S EDUCATION

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant	-	2,651,005	2,651,005	2,670,867
Other DfE Group grants	-	424,460	424,460	373,791
	-	3,075,465	3,075,465	3,044,658
Other Government grants				
High needs funding	-	42,465	42,465	35,065
Pupil premium	-	4,300	4,300	21,275
	-	46,765	46,765	56,340
Other funding				
Income for hosting trainee teachers	5,084	-	5,084	3,137
Other income	7,983	-	7,983	26,978
	13,067	3,122,230	3,135,297	3,131,113
Total 2018	19,995	3,111,118	3,131,113	

BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	11,470	11,470	17,784
Extended school income	27,826	27,826	18,459
Other	12,986	12,986	5,802
	<u>52,282</u>	<u>52,282</u>	<u>42,045</u>

7. INVESTMENT INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	<u>2,618</u>	<u>2,618</u>	<u>1,948</u>

8. EXPENDITURE

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Education:					
Direct costs	2,302,261	-	332,514	2,634,775	2,609,574
Allocated support costs	422,829	135,324	472,050	1,030,203	983,106
	<u>2,725,090</u>	<u>135,324</u>	<u>804,564</u>	<u>3,664,978</u>	<u>3,592,680</u>
Total 2018	<u>2,737,065</u>	<u>135,669</u>	<u>719,946</u>	<u>3,592,680</u>	

BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

9. ANALYSIS OF EXPENDITURE BY ACTIVITY

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	2,634,775	1,030,203	3,664,978	3,592,680
Total 2018	2,609,574	983,106	3,592,680	

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Pension finance costs	28,000	31,000
Staff costs	2,302,261	2,292,104
Depreciation	63,700	53,063
Educational supplies	146,436	145,970
Staff development	20,893	17,595
Other costs	10,788	11,333
Supply teachers	34,377	34,479
Technology costs	28,320	24,030
	<u>2,634,775</u>	<u>2,609,574</u>

BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

9. ANALYSIS OF EXPENDITURE BY ACTIVITY (continued)

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Pension finance costs	12,000	11,000
Staff costs	422,829	410,482
Maintenance of premises and equipment	86,608	62,760
Cleaning	14,020	14,317
Rent and rates	187,965	186,663
Energy costs	30,407	28,735
Insurance	20,509	29,857
Security and transport	4,289	2,568
Catering	112,166	109,533
Technology costs	42,676	40,245
Office overheads	18,273	18,317
Legal and professional	78,301	68,533
Bank interest and charges	160	96
	<u>1,030,203</u>	<u>983,106</u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	3,814	5,507
Depreciation of tangible fixed assets	63,700	53,063
Fees paid to auditors for:		
- audit	9,250	9,250
- other services	2,250	3,000
	<u>75,014</u>	<u>70,820</u>

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

11. STAFF COSTS

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	2,036,886	2,029,548
Social security costs	155,300	152,981
Pension costs	532,904	520,057
	<u>2,725,090</u>	<u>2,702,586</u>
Agency staff costs	34,377	34,479
	<u>2,759,467</u>	<u>2,737,065</u>

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	37	36
Educational support	87	88
Administration and clerical	6	7
Management	6	6
	<u>136</u>	<u>137</u>

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	28	27
Educational support	34	34
Administration and clerical	3	4
Management	6	6
	<u>71</u>	<u>71</u>

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

11. STAFF COSTS (continued)

c. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 (on a pro-rata basis) was:

	2019 No.	2018 No.
In the band £70,001 - £80,000	1	1

The above employee participated in the Teacher's Pension Scheme. During the year ended 31 August 2019, pension contributions for this member amounted to £3,957 (2018: £11,704).

d. Key management personnel

The key management personnel of the Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £250,521 (2018: £248,729).

As Staff Trustees are not remunerated in respect of their role as a Trustee, where Staff Trustees do not form part of their key management personnel other than in their role as Trustee, their remuneration as set out in note 11 has not been included in the total benefits received by key management personnel above

12. CENTRAL SERVICES

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

- Financial services
- School improvement services
- Admin and support services
- Governing and professional services

The Trust charges for these services on the following basis:

The Trust recharges these costs to each Academy at a set percentage of each Academy's General Annual Grant funding each month.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Archbishop Wake Primary School	83,653	82,815
Blandford St Mary Primary School	41,765	43,167
Spetisbury Primary School	33,643	34,340
Total	159,061	160,322

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

13. TRUSTEES' REMUNERATION AND EXPENSES

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

		2019 £'000	2018 £'000
J Hicks (resigned 31 December 2018)	Remuneration	20 - 25	70 - 75
	Pension contributions paid	0 - 5	10 - 15

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £514).

14. TRUSTEES' AND OFFICERS' INSURANCE

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

15. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
COST				
At 1 September 2018	1,085,618	64,550	211,315	1,361,483
Additions	-	29,812	13,415	43,227
At 31 August 2019	1,085,618	94,362	224,730	1,404,710
DEPRECIATION				
At 1 September 2018	44,487	27,991	164,508	236,986
Charge for the year	10,677	18,079	34,944	63,700
At 31 August 2019	55,164	46,070	199,452	300,686
NET BOOK VALUE				
At 31 August 2019	1,030,454	48,292	25,278	1,104,024
At 31 August 2018	1,041,131	36,559	46,807	1,124,497

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

15. TANGIBLE FIXED ASSETS (continued)

The Diocese of Salisbury and other charitable Trusts owns the freehold of a proportion of the land and buildings occupied by the Trust. Where the Trust occupies land and buildings owned by the Diocese of Salisbury and other charitable Trusts under a Church Supplemental Agreement, the Trust does not recognise these land and buildings as tangible fixed assets. The Supplemental Agreement includes the right for the Trustees of the Diocese of Salisbury to give not less than two years written notice to the Trust and the Secretary of State for Education to terminate the agreement. No such written notice has been received as at the date of the approval of the financial statements.

16. DEBTORS

	2019 £	2018 £
Due within one year		
VAT recoverable	21,074	26,215
Prepayments and accrued income	89,870	93,672
	<u>110,944</u>	<u>119,887</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	33,800	52,436
Other taxation and social security	43,221	42,034
Other creditors	33,635	37,850
Accruals and deferred income	106,981	105,994
	<u>217,637</u>	<u>238,314</u>

	2019 £	2018 £
DEFERRED INCOME		
Deferred income at 1 September 2018	69,792	71,229
Resources deferred during the year	68,825	69,792
Amounts released from previous periods	(69,792)	(71,229)
	<u>68,825</u>	<u>69,792</u>

As at the balance sheet date, the Trust was holding funds received in advance for universal infant free school meals and pupil growth funding.

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

18. FINANCIAL INSTRUMENTS

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through income and expenditure	678,139	659,401
Financial assets that are debt instruments measured at amortised cost	46,881	43,335
	<u>725,020</u>	<u>702,736</u>
	2019 £	2018 £
Financial liabilities		
Financial liabilities measured at amortised cost	(71,956)	(88,638)

Financial assets measured at fair value through income and expenditure comprise cash and cash equivalents.

Financial assets measured at amortised cost comprises accrued income.

Financial liabilities measured at amortised cost comprise accruals and trade creditors.

BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General funds	389,948	90,245	(43,077)	-	-	437,116
RESTRICTED FUNDS						
General Annual Grant (GAG)	151,026	2,651,005	(2,691,224)	(12,834)	-	97,973
Pupil Premium	-	189,407	(189,407)	-	-	-
High Needs	-	42,465	(42,465)	-	-	-
UIFSM	-	88,724	(88,724)	-	-	-
Teacher Pay Grant	-	22,762	(22,762)	-	-	-
PE & Sport Premium	-	54,500	(54,500)	-	-	-
Rates	-	19,854	(19,854)	-	-	-
DFC	-	53,513	-	(17,156)	-	36,357
Donations	-	170,790	(170,790)	-	-	-
Educational Visits	-	50,475	(50,475)	-	-	-
Pension reserve	(1,543,000)	-	(228,000)	-	(287,000)	(2,058,000)
	<u>(1,391,974)</u>	<u>3,343,495</u>	<u>(3,558,201)</u>	<u>(29,990)</u>	<u>(287,000)</u>	<u>(1,923,670)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets on conversion	1,041,132	-	(50,463)	-	-	990,669
Fixed assets from GAG/other restricted funds	76,355	-	-	29,990	-	106,345
Donations	7,010	13,237	(13,237)	-	-	7,010
	<u>1,124,497</u>	<u>13,237</u>	<u>(63,700)</u>	<u>29,990</u>	<u>-</u>	<u>1,104,024</u>
TOTAL RESTRICTED FUNDS	<u>(267,477)</u>	<u>3,356,732</u>	<u>(3,621,901)</u>	<u>-</u>	<u>(287,000)</u>	<u>(819,646)</u>
TOTAL FUNDS	<u>122,471</u>	<u>3,446,977</u>	<u>(3,664,978)</u>	<u>-</u>	<u>(287,000)</u>	<u>(382,530)</u>

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

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. Statement of funds (continued)

RESTRICTED FUNDS

The General Annual Grant (GAG) represents funding received from the Educational and Skills Funding Agency (ESFA) which is to be used for the normal running costs of the Trust, including education and support costs.

Pupil premium represents funding received from the ESFA for qualifying children to enable the Trust to address the current underlying inequalities between those children and their peers.

High Needs funding is received from the Local Authority to support students with additional learning needs in a specialised resource provision.

Universal Infant Free School Meals (UIFSM) represents funding from the ESFA to cover the cost of providing free school meals to all pupils in reception, year 1 and year 2.

Teachers pay award - Grant received to fund the increase in the cost of teachers' pay.

PE & Sports premium - Funding received to develop and improve the PE and sports activities that the Academy offers to pupils.

Rates relief grants are received from the ESFA to contribute towards the Academy's rate expenditure.

Devolved Formula Capital represents funding received from the ESFA toward the purchase and improvement of long-term assets.

Donations represents money received from parents for educational visits and extra-curricular activities.

The pension reserve represents the Trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy.

FIXED ASSETS FUNDS

Fixed assets transferred on conversion represent the building and equipment donated to the Trust from Dorset County Council and Local Authority Trusts, on conversion to a Multi Academy Trust.

Donations represent money received from Friends of School for the purchase of fixed assets at Arch bishop Wake Primary School.

Fixed assets purchased from DfE/ESFA capital grants represents amounts spent on fixed assets from the capital funding received from the ESFA.

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

BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. Statement of funds (continued)

TOTAL FUNDS ANALYSIS BY ACADEMY

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Archbishop Wake Primary School	306,611	300,987
Blandford St Mary Primary School	132,115	118,414
Spetisbury Primary School	85,397	84,164
Central Services	47,322	37,409
Total before fixed asset funds and pension reserve	571,445	540,974
Restricted fixed asset fund	1,104,024	1,124,497
Pension reserve	(2,058,000)	(1,543,000)
Total	(382,531)	122,471

TOTAL COSTS ANALYSIS BY ACADEMY

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Archbishop Wake Primary School	1,131,493	185,953	49,551	339,818	1,706,815	1,545,864
Blandford St Mary Primary School	571,085	103,394	31,625	198,308	904,412	855,510
Spetisbury Primary School	428,534	87,131	18,998	198,242	732,905	653,362
Central Services	10,130	34,387	-	212,629	257,146	185,494
Trust	2,141,242	410,865	100,174	948,997	3,601,278	3,240,230

BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS						
General funds	363,225	70,890	(44,167)	-	-	389,948
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	170,108	2,670,867	(2,614,814)	(75,135)	-	151,026
Pupil Premium	-	212,625	(212,625)	-	-	-
High Needs	-	35,065	(35,065)	-	-	-
UFSM	-	88,056	(88,056)	-	-	-
PE & Sport Premium	-	54,370	(54,370)	-	-	-
Rates	-	19,577	(19,577)	-	-	-
DFC	-	20,438	(20,438)	-	-	-
Donations	-	176,616	(176,616)	-	-	-
Educational Visits	-	44,769	(44,769)	-	-	-
Other Restricted	-	10,120	(10,120)	-	-	-
Pension reserve	(1,664,000)	-	(219,000)	-	340,000	(1,543,000)
	<u>(1,493,892)</u>	<u>3,332,503</u>	<u>(3,495,450)</u>	<u>(75,135)</u>	<u>340,000</u>	<u>(1,391,974)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets on conversion	1,051,809	-	(10,677)	-	-	1,041,132
Fixed assets from GAG/other restricted funds	37,851	-	(36,631)	75,135	-	76,355
Donations	9,350	3,415	(5,755)	-	-	7,010
	<u>1,099,010</u>	<u>3,415</u>	<u>(53,063)</u>	<u>75,135</u>	<u>-</u>	<u>1,124,497</u>
TOTAL RESTRICTED FUNDS	<u>(394,882)</u>	<u>3,335,918</u>	<u>(3,548,513)</u>	<u>-</u>	<u>340,000</u>	<u>(267,477)</u>

BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. Statement of funds (continued)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
TOTAL FUNDS	(31,657)	3,406,808	(3,592,680)	-	340,000	122,471

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	1,104,024	1,104,024
Current assets	437,116	351,967	-	789,083
Creditors due within one year	-	(217,637)	-	(217,637)
Provisions for liabilities and charges	-	(2,058,000)	-	(2,058,000)
Total	437,116	(1,923,670)	1,104,024	(382,530)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	1,124,497	1,124,497
Current assets	389,948	389,340	-	779,288
Creditors due within one year	-	(238,314)	-	(238,314)
Provisions for liabilities and charges	-	(1,543,000)	-	(1,543,000)
Total	389,948	(1,391,974)	1,124,497	122,471

BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

21. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(218,001)	(185,872)
Adjustments for:		
Depreciation charges	63,700	53,063
Capital grants from DfE and other capital income	(53,513)	(20,438)
Interest receivable	(2,618)	(1,948)
Defined benefit pension scheme cost less contributions payable	188,000	177,000
Defined benefit pension scheme finance cost	40,000	42,000
(Increase)/decrease in debtors	8,943	(33,283)
Increase/(decrease) in creditors	(20,677)	37,198
Net cash provided by operating activities	5,834	67,720

22. CASH FLOWS FROM INVESTING ACTIVITIES

	2019 £	2018 £
Interest receivable	2,618	1,948
Purchase of tangible fixed assets	(43,227)	(78,550)
Capital grants from DfE Group	53,513	20,438
Net cash provided by/(used in) investing activities	12,904	(56,164)

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash at bank in hand	678,139	659,401
Total cash and cash equivalents	678,139	659,401

24. PENSION COMMITMENTS

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

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

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

24. PENSION COMMITMENTS (continued)

Contributions amounting to £43,221 were payable to the schemes at 31 August 2019 (2018 - £42,034) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £205,750 (2018 - £208,081).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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.

BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

24. PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £182,000 (2018 - £176,000), of which employer's contributions totalled £140,000 (2018 - £135,000) and employees' contributions totalled £ 42,000 (2018 - £41,000). The agreed contribution rates for future years are 18.8% for employers and 5.5 - 5.8% for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.85	2.65

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	22.9	24.0
Females	24.8	26.1
<i>Retiring in 20 years</i>		
Males	24.6	26.3
Females	26.6	28.5

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	914,000	817,000
Gilts	234,000	188,000
Corporate bonds	127,000	118,000
Property	187,000	152,000
Diversity growth fund	105,000	90,000
Other	176,000	133,000
Cash	47,000	-
Total market value of assets	1,790,000	1,498,000

BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

24. PENSION COMMITMENTS (continued)

The actual return on scheme assets was £135,000 (2018 - £31,000).

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

	2019 £	2018 £
Current service cost	(285,000)	(312,000)
Past service cost	(43,000)	-
Interest income	41,000	35,000
Interest cost	(81,000)	(77,000)
Total amount recognised in the Statement of Financial Activities	(368,000)	(354,000)

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

	2019 £	2018 £
At 1 September	3,041,000	2,956,000
Current service cost	285,000	312,000
Interest cost	81,000	77,000
Employee contributions	42,000	41,000
Actuarial losses/(gains)	380,000	(345,000)
Benefits paid	(24,000)	-
Past service costs (gain)	43,000	-
At 31 August	3,848,000	3,041,000

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

	2019 £	2018 £
At 1 September	1,498,000	1,292,000
Interest income	42,000	36,000
Actuarial gains/(losses)	93,000	(5,000)
Employer contributions	140,000	135,000
Employee contributions	42,000	41,000
Benefits paid	(24,000)	-
Administration expenses	(1,000)	(1,000)
At 31 August	1,790,000	1,498,000

**BLANDFORD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

25. OPERATING LEASE COMMITMENTS

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

	2019 £	2018 £
Not later than 1 year	3,814	3,814
Later than 1 year and not later than 5 years	1,572	5,386
	<u>5,386</u>	<u>9,200</u>

26. 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.

27. RELATED PARTY TRANSACTIONS

Owing to the nature of the 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 trustees has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

There were no related party transactions in the year.

28. POST BALANCE SHEET EVENTS

On 1 January 2020 the Academy Trust will transfer its academies, together with all assets and liabilities, to Diocese of Salisbury Academy Trust. From that date, the Trust will cease all activities.

29. CONTROLLING PARTY

There is no ultimate controlling party.