

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 2018**



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

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

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Trustees** D Roberts, Chair of Trustees<sup>3</sup>  
S Bowerman, Chair of Finance Committee<sup>1,3</sup>  
R Brannigan (resigned 14 December 2017)<sup>2</sup>  
J Hicks, Chief Executive Officer<sup>3,4</sup>  
S Poulton<sup>2</sup>  
P Santer<sup>1</sup>  
A Woodhouse, Chair of Audit Committee (resigned 15 October 2018)<sup>2</sup>  
G Woodland (resigned 18 July 2018)<sup>1</sup>  
G Hearn<sup>2</sup>  
M Pitcher (appointed 18 October 2018)

**Members** Salisbury Diocese Board of Education, represented by D Roberts  
D Roberts  
J Triffitt  
A Woodhouse (appointed 15 October 2018)

- <sup>1</sup> Resources Committee
- <sup>2</sup> Audit Committee
- <sup>3</sup> Standing Committee
- <sup>4</sup> 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

**Senior management team** J Hicks, Chief Executive Officer  
H Pugh, Business Manager  
D Baxter, Headteacher  
D Lasbury-Carter, Headteacher

**Independent auditors** Bishop Fleming Bath Limited  
Chartered Accountants  
Statutory Auditors  
Minerva House  
Lower Bristol Road  
Bath  
BA2 9ER

**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 2018**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

Blandford Education Trust is a Multi-Academy Trust consisting of 3 primary schools for pupils aged 4 to 11 in Blandford Forum area of Dorset. The number of children on roll in the Trust on the October 2018 census is 734.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

Blandford Education Trust was incorporated on 21 May 2014 and opened as a Multi-Academy Trust on 1 July 2014. It 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.

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

**Members' Liability**

Each member of the charitable company undertakes to contribute to the assets of the 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. 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.

**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 thirds of the total number of Trustees.

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.

**BLANDFORD EDUCATION TRUST  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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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 Trust'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 a tour of 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 two or three 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. The committees of the Trust Board are as follows:

- Resources Committee - this meets at least three times a year and 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 meets at least three times a year and is responsible for compliance with reporting and regulatory requirements and receiving reports from the Internal Auditor and considering the Risk Management of the Trust;
- Education Committee - this meets once a term 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 all Academy Headteachers are members of the committee; 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. Local governing bodies may have further sub-committees to meet the specific needs of each setting.

The following decisions are reserved to the Trust Board: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice 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 Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, 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.

The Senior Management Team of the Trust comprises the Chief Executive Officer (who is the Accounting Officer for the Trust) and the Business Manager.

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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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 and educational support 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 received remuneration in the year, in their role as a Trustee.

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.

**Trade union facility time**

**Relevant union officials**

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

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

The Salisbury Diocese 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 Trust.

**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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Objectives, Strategies and Activities**

Key priorities for the year include:

1. Through cross school support to continue to develop the professional skills of all staff and strengthen the role of middle leaders within the Trust;
2. To review and modify the structure of governance across the Trust to ensure all elements are operating as effectively and efficiently as possible to improve standards;
3. To build on the reports of Ofsted visits during 2017 and ensure appropriate support is given to post Ofsted action plans to secure the best possible outcomes for all pupils; and
4. To continue to develop the spirituality of all children within the Trust and ensure all academies are fully prepared for SIAMS inspections.

**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 2018 is 734 (October 2017: 747).

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 headteacher will continue to fulfil the role of Chief Executive Officer for the Trust until 31 December 2018. The number of children on roll has risen to 415 (October 2018), 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 89% 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	58	81%	29%	60	92%	48%	4.0
Writing	58	79%	22%	60	90%	28%	1.4
GPS				60	87%	35%	
Maths	58	93%	29%	60	95%	47%	3.6

Blandford St Mary CE Primary School remains in Special Measures following the Ofsted assessment in March 2017. The school has received regular Ofsted monitoring visits which have positively endorsed the progress made and the recent KS2 results were amongst the top 10% of primary schools in Dorset. Number of children on roll in October 2018 is 171.

94% of children on roll in Early Years Foundation Stage achieved Good Level of Development in the assessment and 86% of year 1 children on roll met the standard for Year 1 phonics.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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	No of pupils in year 2	EXP*	GD**	No of pupils in year 6	EXP	GD	Progress Score
Reading	28	78%	22%	22	95%	36%	1.9
Writing	28	81%	22%	22	95%	23%	2.2
GPS				22	95%	59%	
Maths	28	74%	22%	22	86%	36%	1.3

Spetisbury CE Primary School has 148 children on roll in October 2018. 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. The school operates over 6 class bases and currently has mixed age teaching in KS2. The Trust has appointed a new headteacher for the school from 1 September 2018.

80% of children on roll in Early Years Foundation Stage achieved Good Level of Development in the assessment and 77% 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	20	85%	35%	15	94%	50%	2.9
Writing	20	75%	35%	15	81%	13%	-1.9
GPS				15	88%	38%	
Maths	20	80%	25%	15	69%	6%	-2.8

All schools within Blandford Education Trust produce School Development 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.



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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**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 steady in the forthcoming year.

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.

The following KPI's for the Trust for the year ended 31 August 2018 are noted:

	<b>Archbishop Wake Primary School</b>	<b>Blandford St Mary Primary School</b>	<b>Spetisbury Primary School</b>	<b>Central Reserves</b>	<b>Blandford Education Trust</b>
Pupil numbers October 2018	415	171	148	-	734
Pupil numbers October 2017	411	185	151	-	747
Number of classes October 2018	14	7	6	-	-
Average pupil number per class October 2018	29.6	24.4	24.7	-	-
Total revenue reserves at 31 August 2018	£301k	£118k	£84k	£38k	£541k
Ratio of staff pay costs to total funding, y/e 31 August 2018	85%	88%	86%	-	-
Cash balances at the year end, including those held on deposit	£94k	£27k	£36k	£502k	£659k

**Going Concern**

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

**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 2018 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 2018, the Academy Trust received total income of £3,403,393 and incurred total expenditure of £3,539,617, excluding fixed asset funds and pension reserve. The excess of expenditure over income for the year was £136,224.

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

**BLANDFORD EDUCATION TRUST  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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The Trust will face financial pressures, experienced across the sector, with rising staff costs forecast in forthcoming years. The delayed introduction of the National Funding Formula and uncertainty as to the funding changes this will bring add 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.

**Reserves Policy**

The Trust Board Reserve Policy requires that revenue reserves equivalent to the sum of 10% of current annual funding of all of the Academies 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 schools 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 Board for access to Investment Reserves for a specific purpose, but it is up to the Trustees whether requests are granted as they have the responsibility of 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 £1,665,471, although £1,124,497 of this is invested in fixed assets. The remaining £540,974 (representing £389,948 unrestricted funds and £151,026 unspent GAG) is the balance that the Trustees monitor in accordance with the Board's reserves policy.

The defined benefit pension scheme reserve had a negative balance on conversion and continues to have a negative balance at 31 August 2018. 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.

**BLANDFORD EDUCATION TRUST  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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***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 Board schedule internal control reviews to ensure that appropriate measures are in place to mitigate these risks.

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

The Trustees have assessed the major risks to which the Trust 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 23 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 YEARS**

The Trust will continue to strive to provide outstanding education and improve 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.

The Trust will be proactive in considering the future direction of the Trust, ensuring that any decisions made result in the best possible outcomes for all pupils within the Trust.

**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.

**BLANDFORD EDUCATION TRUST  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**AUDITORS**

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming Bath Limited, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' Report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 11 December 2018 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to read 'D. J. Roberts', written in a cursive style.

**D Roberts  
Chair of Trustees**

**BLANDFORD EDUCATION TRUST**  
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**GOVERNANCE STATEMENT**

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**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 Board of 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 Board of 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 Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
D Roberts, Chair of Trustees	5	6
S Bowerman, Chair of Resources Committee	6	6
R Brannigan (resigned 23 January 2018)	1	3
J Hicks, Chief Executive Officer	6	6
S Poulton	6	6
P Santer	6	6
A Woodhouse, Chair of Audit Committee	3	6
G Woodland	3	6
G Hearn	4	6

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 at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Bowerman, Chair of Resources Committee	3	3
P Santer	2	3
G Woodland	2	3

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 at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Woodhouse, Chair of Audit Committee	3	3
R Brannigan	2	3
S Poulton	2	3

**BLANDFORD EDUCATION TRUST  
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**GOVERNANCE STATEMENT (continued)**

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**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 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 for the Trust 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 1819 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 ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Blandford Education Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

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

**THE RISK AND CONTROL FRAMEWORK**

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to complete this function through engaging the services of the external auditor, Bishop Fleming to perform specific internal assurance reviews during the year;

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

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

**GOVERNANCE STATEMENT (continued)**

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All internal assurance 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.

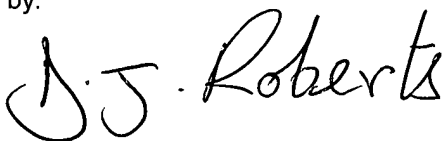
**REVIEW OF EFFECTIVENESS**

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:

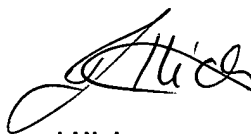
- the work of the internal assurance provider;
- the work of the external auditors;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the internal assurance provider and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 11 December 2018 and signed on their behalf, by:



**D Roberts  
Chair of Trustees**



**J Hicks  
Accounting Officer**

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

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Blandford Education Trust I have considered my responsibility to notify the Academy 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 Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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.



**J Hicks  
Accounting Officer**

Date: 11 December 2018



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

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

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

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

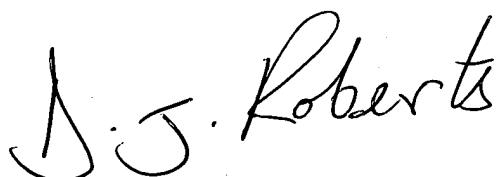
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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



**D Roberts  
Chair of Trustees**

**Date: 11 December 2018**

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

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

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**OPINION**

We have audited the financial statements of Blandford Education Trust (the 'Trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating income and expenditure account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 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 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

**BASIS FOR OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

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

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

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**OTHER INFORMATION**

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

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 Statement of Trustees' Responsibilities, 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**

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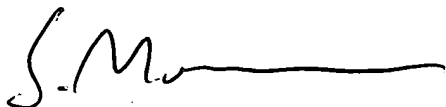
**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

**USE OF OUR REPORT**

This report is made solely to the 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 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 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:

14/12/2018

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

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

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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 2017 to 2018, 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Blandford Education Trust and the 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**APPROACH**

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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 ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BLANDFORD  
EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

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**CONCLUSION**

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



Simon Morrison FCA (Reporting Accountant)

**Bishop Fleming Bath Limited**

Chartered Accountants  
Statutory Auditors  
Minerva House  
Lower Bristol Road  
Bath  
BA2 9ER

Date: 14/12/2018

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

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	6,902	221,385	3,415	231,702	231,841
Charitable activities	5	19,995	3,111,118	-	3,131,113	3,101,469
Other trading activities	3	42,045	-	-	42,045	46,016
Investments	4	1,948	-	-	1,948	1,915
<b>TOTAL INCOME</b>		<b>70,890</b>	<b>3,332,503</b>	<b>3,415</b>	<b>3,406,808</b>	<b>3,381,241</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		44,167	3,495,450	53,063	3,592,680	3,666,962
<b>TOTAL EXPENDITURE</b>	6	<b>44,167</b>	<b>3,495,450</b>	<b>53,063</b>	<b>3,592,680</b>	<b>3,666,962</b>
<b>NET BEFORE TRANSFERS</b>		<b>26,723</b>	<b>(162,947)</b>	<b>(49,648)</b>	<b>(185,872)</b>	<b>(285,721)</b>
Transfers between Funds	18	-	(75,135)	75,135	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>26,723</b>	<b>(238,082)</b>	<b>25,487</b>	<b>(185,872)</b>	<b>(285,721)</b>
Actuarial gains on defined benefit pension schemes	23	-	340,000	-	340,000	10,000
<b>NET MOVEMENT IN FUNDS</b>		<b>26,723</b>	<b>101,918</b>	<b>25,487</b>	<b>154,128</b>	<b>(275,721)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		363,225	(1,493,892)	1,099,010	(31,657)	244,064
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>389,948</b>	<b>(1,391,974)</b>	<b>1,124,497</b>	<b>122,471</b>	<b>(31,657)</b>

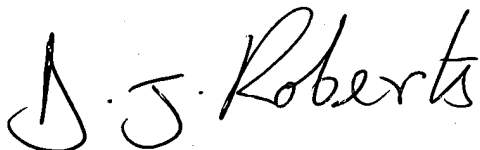
The notes on pages 24 to 46 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	14		1,124,497		1,099,010
<b>CURRENT ASSETS</b>					
Debtors	15	119,887		86,604	
Cash at bank and in hand		659,401		647,845	
		<u>779,288</u>		<u>734,449</u>	
<b>CREDITORS:</b> amounts falling due within one year	16	(238,314)		(201,116)	
<b>NET CURRENT ASSETS</b>			<u>540,974</u>		<u>533,333</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,665,471</u>		<u>1,632,343</u>
Defined benefit pension scheme liability	23		(1,543,000)		(1,664,000)
<b>NET ASSETS</b>			<u><u>122,471</u></u>		<u><u>(31,657)</u></u>
<b>FUNDS OF THE ACADEMY TRUST</b>					
Restricted funds:					
General funds	18	151,026		170,108	
Fixed asset funds	18	1,124,497		1,099,010	
Restricted funds excluding pension liability		<u>1,275,523</u>		<u>1,269,118</u>	
Pension reserve		<u>(1,543,000)</u>		<u>(1,664,000)</u>	
Total restricted funds			<u>(267,477)</u>		<u>(394,882)</u>
Unrestricted funds	18		<u>389,948</u>		<u>363,225</u>
<b>TOTAL FUNDS/(DEFICIT)</b>			<u><u>122,471</u></u>		<u><u>(31,657)</u></u>

The financial statements on pages 21 to 46 were approved by the Trustees, and authorised for issue, on 11 December 2018 and are signed on their behalf, by:



**D Roberts**  
**Chair of Trustees**

The notes on pages 24 to 46 form part of these financial statements.



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

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

	<b>Note</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	20	<u>67,720</u>	<u>(13,421)</u>
<b>Cash flows from investing activities:</b>			
Interest receivable		1,948	1,915
Purchase of tangible fixed assets		(78,550)	(49,160)
Capital grants from DfE/ESFA		<u>20,438</u>	<u>20,179</u>
<b>Net cash used in investing activities</b>		<u>(56,164)</u>	<u>(27,066)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>11,556</b>	<b>(40,487)</b>
Cash and cash equivalents brought forward		<u>647,845</u>	<u>688,332</u>
<b>Cash and cash equivalents carried forward</b>	21	<u><u>659,401</u></u>	<u><u>647,845</u></u>

The notes on pages 24 to 46 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 2018**

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**1. ACCOUNTING POLICIES**

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

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

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

**1.2 GOING CONCERN**

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

The Trustees therefore have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 INCOME**

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

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

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

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

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

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

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**1. ACCOUNTING POLICIES (continued)**

**1.4 EXPENDITURE**

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

Expenditure on raising funds 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.

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

All expenditure is inclusive of irrecoverable VAT.

**1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £2,000 are capitalised, with the exception of land and buildings held under Church Supplemental Agreements 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:

Long term leasehold land	-	over the term of the lease
Long term leasehold property	-	2% straight line
Furniture and fixtures	-	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.

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.

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

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

---

**1. ACCOUNTING POLICIES (continued)**

**1.6 DEBTORS**

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

**1.7 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 and cash on deposit that has a notice period of less than 30 days.

**1.8 LIABILITIES AND PROVISIONS**

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

**1.9 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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.10 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 basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the 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 fair value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

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**1. ACCOUNTING POLICIES (continued)**

**1.11 PENSIONS**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1.12 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 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.

**1.13 OPERATING LEASES**

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

**1. ACCOUNTING POLICIES (continued)**

**1.14 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT**

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

Critical accounting estimates and assumptions:

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

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

Critical areas of judgment:

**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 2017 to 2018 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.

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**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	6,902	221,385	3,415	231,702	231,841
Total 2017	6,908	218,836	6,097	231,841	

**3. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	17,784	-	17,784	19,886
Extended school income	18,459	-	18,459	20,168
Other	5,802	-	5,802	5,962
	42,045	-	42,045	46,016
Total 2017	46,016	-	46,016	

**4. INVESTMENT INCOME**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	1,948	-	1,948	1,915
Total 2017	1,915	-	1,915	

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**5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant	-	2,670,867	2,670,867	2,623,652
Pupil premium	-	191,350	191,350	198,092
Other DfE Group grants	-	182,441	182,441	158,302
	-	3,044,658	3,044,658	2,980,046
<b>Other Government grants</b>				
High needs funding	-	35,065	35,065	75,856
Pupil premium	-	21,275	21,275	13,900
Growth funding	-	-	-	20,781
	-	56,340	56,340	110,537
<b>Other funding</b>				
Income for hosting trainee teachers	3,137	-	3,137	1,382
Other income	16,858	10,120	26,978	9,504
	19,995	10,120	30,115	10,886
	19,995	3,111,118	3,131,113	3,101,469
Total 2017	9,236	3,092,233	3,101,469	

**6. EXPENDITURE**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Education:					
Direct costs	2,326,583	-	282,991	2,609,574	2,654,376
Support costs	410,482	135,669	436,955	983,106	1,012,586
	2,737,065	135,669	719,946	3,592,680	3,666,962
Total 2017	2,760,396	169,436	737,130	3,666,962	



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**7. DIRECT COSTS**

	Total 2018 £	Total 2017 £
Pension finance costs	31,000	21,000
Educational supplies	145,970	140,531
Staff development	17,595	17,040
Other costs	11,333	10,313
Supply teachers	34,479	23,023
Technology costs	24,030	30,215
Wages and salaries	1,744,292	1,806,937
National insurance	144,016	145,408
Pension cost	403,796	394,433
Depreciation	53,063	65,476
	<u>2,609,574</u>	<u>2,654,376</u>
Total 2017	<u>2,654,376</u>	

**8. SUPPORT COSTS**

	Total 2018 £	Total 2017 £
Pension finance costs	11,000	11,000
Maintenance of premises and equipment	62,760	105,196
Cleaning	14,317	11,145
Rent and rates	186,663	189,766
Energy costs	28,735	26,952
Insurance	29,857	33,854
Security and transport	2,568	3,044
Catering	109,533	111,005
Technology costs	40,245	33,598
Office overheads	18,317	20,578
Legal and professional	68,533	75,725
Bank interest and charges	96	128
Wages and salaries	285,256	281,473
National insurance	8,965	8,601
Pension cost	116,261	100,521
	<u>983,106</u>	<u>1,012,586</u>
Total 2017	<u>1,012,586</u>	

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

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**9. NET INCOME/(EXPENDITURE) FOR THE YEAR**

This is stated after charging:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the charity	<b>53,063</b>	65,476
Auditors' remuneration - audit	<b>9,250</b>	9,250
Auditors' remuneration - other services	<b>3,000</b>	3,000
Operating lease rentals	<b>5,507</b>	4,513
	<b><u>5,507</u></b>	<b><u>4,513</u></b>

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**10. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	2,029,548	2,088,410
Social security costs	152,981	154,009
Operating costs of defined benefit pension schemes	520,057	494,954
	<u>2,702,586</u>	<u>2,737,373</u>
Agency staff costs	34,479	23,023
	<u><u>2,737,065</u></u>	<u><u>2,760,396</u></u>

**b. Staff numbers**

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

	2018 No.	2017 No.
Teachers	36	37
Educational support	88	94
Administration and clerical	7	8
Management	6	6
	<u>137</u>	<u>145</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	27	28
Educational Support	34	36
Administration and clerical	4	4
Management	6	6
	<u>71</u>	<u>74</u>

**c. Higher paid staff**

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	0	1
In the band £70,001 - £80,000	1	0

The above employee participated in the Teacher's Pension Scheme. During the year ended 31 August 2018, pension contributions for this member amounted to £11,704 (2017: £11,594).

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

**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 £248,729 (2017: £235,914).

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 12 has not been included in the total benefits received by key management personnel above.

**11. 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:

	2018	2017
	£	£
Archbishop Wake Primary School	82,815	78,788
Blandford St Mary Primary School	43,167	42,928
Spetisbury Primary School	34,340	35,703
Total	<u>160,322</u>	<u>157,419</u>

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**12. TRUSTEES' REMUNERATION AND EXPENSES**

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

		<b>2018</b> <b>£'000</b>	<b>2017</b> <b>£'000</b>
J Hicks	Remuneration	<b>£70 - £75</b>	£70 - £75
	Pension contributions paid	<b>£10 - £15</b>	£10 - £15

During the year ended 31 August 2018, expenses totalling £514 (2017: £306) were reimbursed to 3 Trustees (2017: 2).

**13. 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.

**14. TANGIBLE FIXED ASSETS**

	<b>Leasehold property £</b>	<b>Furniture and fixtures £</b>	<b>Plant and equipment £</b>	<b>Total £</b>
<b>COST</b>				
At 1 September 2017	<b>1,085,618</b>	<b>35,005</b>	<b>162,310</b>	<b>1,282,933</b>
Additions	-	<b>29,545</b>	<b>49,005</b>	<b>78,550</b>
At 31 August 2018	<b>1,085,618</b>	<b>64,550</b>	<b>211,315</b>	<b>1,361,483</b>
<b>DEPRECIATION</b>				
At 1 September 2017	<b>33,810</b>	<b>18,210</b>	<b>131,903</b>	<b>183,923</b>
Charge for the year	<b>10,677</b>	<b>9,781</b>	<b>32,605</b>	<b>53,063</b>
At 31 August 2018	<b>44,487</b>	<b>27,991</b>	<b>164,508</b>	<b>236,986</b>
<b>NET BOOK VALUE</b>				
At 31 August 2018	<b>1,041,131</b>	<b>36,559</b>	<b>46,807</b>	<b>1,124,497</b>
At 31 August 2017	<b>1,051,808</b>	<b>16,795</b>	<b>30,407</b>	<b>1,099,010</b>

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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**15. DEBTORS**

	2018 £	2017 £
VAT recoverable	26,215	23,004
Prepayments and accrued income	93,672	63,600
	<u>119,887</u>	<u>86,604</u>

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Trade creditors	52,436	24,147
Other taxation and social security	42,034	38,998
Other creditors	37,850	43,037
Accruals and deferred income	105,994	94,934
	<u>238,314</u>	<u>201,116</u>

**DEFERRED INCOME**

	2018 £	2017 £
Deferred income at 1 September	71,229	72,140
Resources deferred during the year	69,792	71,229
Amounts released from previous years	(71,229)	(72,140)
Deferred income at 31 August	<u>69,792</u>	<u>71,229</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.

**17. FINANCIAL INSTRUMENTS**

	2018 £	2017 £
Financial assets measured at fair value through income and expenditure	659,401	647,844
Financial assets measured at amortised cost	43,335	31,400
	<u>702,736</u>	<u>679,244</u>
Financial liabilities measured at amortised cost	<u>88,638</u>	<u>47,852</u>

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

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**18. STATEMENT OF FUNDS**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>UNRESTRICTED FUNDS</b>						
General funds	363,225	70,890	(44,167)	-	-	389,948
<b>RESTRICTED FUNDS</b>						
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)	-	-	-
UIFSM	-	88,056	(88,056)	-	-	-
Other DFE/ESFA grants	-	73,947	(73,947)	-	-	-
DFC and other capital grants	-	20,438	(20,438)	-	-	-
Donations	-	176,616	(176,616)	-	-	-
Educational visits	-	44,769	(44,769)	-	-	-
Other restricted income	-	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>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Fixed assets transferred on conversion	1,051,809	-	(10,677)	-	-	1,041,132
Fixed assets purchased from GAG and 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>
Total of funds	<u>(31,657)</u>	<u>3,406,808</u>	<u>(3,592,680)</u>	<u>-</u>	<u>340,000</u>	<u>122,471</u>

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

**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.

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**18. STATEMENT OF FUNDS (continued)**

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.

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 Blandford St Mary 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 that it could carry forward at 31 August 2018.

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2018 were allocated as follows:

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Archbishop Wake Primary School	<b>300,987</b>	267,029
Blandford St Mary Primary School	<b>118,414</b>	137,757
Spetisbury Primary School	<b>84,164</b>	93,154
Central Services	<b>37,409</b>	35,393
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	<b>540,974</b>	533,333
Restricted fixed asset fund	<b>1,124,497</b>	1,099,010
Pension reserve	<b>(1,543,000)</b>	(1,664,000)
	<hr/>	<hr/>
Total	<b>122,471</b>	(31,657)
	<hr/> <hr/>	<hr/> <hr/>



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**18. STATEMENT OF FUNDS (continued)**

**ANALYSIS OF ACADEMIES BY COST**

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 2018 £	Total 2017 £
Archbishop Wake Primary School	1,113,048	155,261	69,758	207,797	1,545,864	1,642,373
Blandford St Mary Primary School	598,002	77,009	44,709	135,790	855,510	944,589
Spetisbury Primary School	440,331	85,576	31,504	95,951	653,362	714,961
Central Services	29,724	26,637	-	129,133	185,494	163,722
	<u>2,181,105</u>	<u>344,483</u>	<u>145,971</u>	<u>568,671</u>	<u>3,240,230</u>	<u>3,465,645</u>

**STATEMENT OF FUNDS - PRIOR YEAR**

	As restated brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>GENERAL FUNDS</b>						
General funds	338,936	64,075	(39,786)	-	-	363,225
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	278,802	2,623,652	(2,689,283)	(43,063)	-	170,108
Pupil Premium	-	211,992	(211,992)	-	-	-
High Needs	-	75,856	(75,856)	-	-	-
UIFSM	-	91,771	(91,771)	-	-	-
Other DFE/ESFA grants	-	46,352	(46,352)	-	-	-
Donations	-	177,020	(177,020)	-	-	-
Educational visits	-	41,816	(41,816)	-	-	-
Othre restricted income	-	1,650	(1,650)	-	-	-
Pension reserve	(1,489,000)	-	(185,000)	-	10,000	(1,664,000)
	<u>(1,210,198)</u>	<u>3,270,109</u>	<u>(3,520,740)</u>	<u>(43,063)</u>	<u>10,000</u>	<u>(1,493,892)</u>

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**18. STATEMENT OF FUNDS (continued)**

**RESTRICTED FIXED ASSET FUNDS**

	As restated brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Fixed assets transferred on conversion	1,094,014	-	(42,205)	-	-	1,051,809
Fixed assets purchased from GAG and other restricted funds	13,442	-	(18,654)	43,063	-	37,851
Donations	7,870	6,097	(4,617)	-	-	9,350
	<u>1,115,326</u>	<u>6,097</u>	<u>(65,476)</u>	<u>43,063</u>	<u>-</u>	<u>1,099,010</u>
Total restricted funds	(94,872)	3,276,206	(3,586,216)	-	10,000	(394,882)
Total of funds	<u>244,064</u>	<u>3,340,281</u>	<u>(3,626,002)</u>	<u>-</u>	<u>10,000</u>	<u>(31,657)</u>

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	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)
Pension scheme liability	-	(1,543,000)	-	(1,543,000)
	<u>389,948</u>	<u>(1,391,974)</u>	<u>1,124,497</u>	<u>122,471</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	1,099,010	1,099,010
Current assets	363,225	371,224	-	734,449
Creditors due within one year	-	(201,116)	-	(201,116)
Provisions for liabilities and charges	-	(1,664,000)	-	(1,664,000)
	<u>363,225</u>	<u>(1,493,892)</u>	<u>1,099,010</u>	<u>(31,657)</u>

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**20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(185,872)	(285,721)
<b>Adjustment for:</b>		
Depreciation charges	53,063	65,477
Interest receivable	(1,948)	(1,915)
(Increase)/decrease in debtors	(33,283)	55,002
Increase/(decrease) in creditors	37,198	(11,085)
Capital grants from DfE and other capital income	(20,438)	(20,179)
Defined benefit pension scheme cost less contributions payable	177,000	153,000
Defined benefit pension scheme finance cost	42,000	32,000
<b>Net cash provided by/(used in) operating activities</b>	<b>67,720</b>	<b>(13,421)</b>

**21. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £	2017 £
Cash at bank and in hand	659,401	647,845
	<b>659,401</b>	<b>647,845</b>

**22. 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.

## **23. PENSION COMMITMENTS**

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

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

Contributions amounting to £37,850 were payable to the schemes at 31 August 2018 (2017: £42,788) and are included within creditors.

### **Teachers' Pension Scheme**

#### **Introduction**

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

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

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

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 period amounted to £208,081 (2017: £209,109).

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

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**23. PENSION COMMITMENTS (continued)**

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £176,000 (2017: £171,000), of which employer's contributions totalled £135,000 (2017: £130,000) and employees' contributions totalled £41,000 (2017: £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:

	<b>2018</b>	<b>2017</b>
Discount rate for scheme liabilities	<b>2.65 %</b>	2.60 %
Rate of increase in salaries	<b>3.80 %</b>	4.20 %
Rate of increase for pensions in payment / inflation	<b>2.30 %</b>	2.70 %

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

	<b>2018</b>	<b>2017</b>
Retiring today		
Males	<b>24.0 years</b>	23.9 years
Females	<b>26.1 years</b>	26.0 years
Retiring in 20 years		
Males	<b>26.3 years</b>	26.2 years
Females	<b>28.5 years</b>	28.3 years

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**23. PENSION COMMITMENTS (continued)**

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	817,000	713,000
Gilts	188,000	172,000
Other bonds	118,000	146,000
Property	152,000	114,000
Diversified growth funds	90,000	56,000
Other	133,000	91,000
Total market value of assets	<u>1,498,000</u>	<u>1,292,000</u>

The actual return on scheme assets was £31,000 (2017: £154,000).

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

	2018 £	2017 £
Current service cost	(312,000)	(283,000)
Interest income	35,000	23,000
Interest cost	(77,000)	(55,000)
Total	<u>(354,000)</u>	<u>(315,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	2,956,000	2,483,000
Current service cost	312,000	283,000
Interest cost	77,000	55,000
Employee contributions	41,000	41,000
Actuarial (gains)/losses	(345,000)	88,000
Benefits paid (net of transfers in)	-	6,000
Closing defined benefit obligation	<u>3,041,000</u>	<u>2,956,000</u>

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**23. PENSION COMMITMENTS (continued)**

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

	2018 £	2017 £
Opening fair value of scheme assets	1,292,000	994,000
Interest income	36,000	24,000
Return on plan assets	(5,000)	98,000
Employer contributions	135,000	130,000
Employee contributions	41,000	41,000
Benefits paid (net of transfers in)	-	6,000
Administration expenses	(1,000)	(1,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	<u>1,498,000</u>	<u>1,292,000</u>

**24. OPERATING LEASE COMMITMENTS**

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

	2018 £	2017 £
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	3,814	4,082
Between 1 and 5 years	5,386	4,868
	<hr/>	<hr/>
Total	<u>9,200</u>	<u>8,950</u>

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**25. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The Headteachers of one of the three schools in the Trust is a Member of Local Food Links Limited, a social enterprise regulated via the Financial Conduct Authority which provided catering services to all three schools during the year of £110,421 (2017: £122,578). A balance of £1,132 (2017: £2,312) was owed to Local Foods Link Limited at the year end. Local Food Links Limited is a not for profit organisation with numerous Members, none of which are individually able to control the company. There is no financial benefit paid to any Members from their involvement in the enterprise.

**26. 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.

**27. CONTROLLING PARTY**

There is no ultimate controlling party.