

REGISTERED COMPANY NUMBER: 09578698 (England and Wales)

**Report of the Trustees and
Financial Statements for the Year Ended 31 August 2018
for
Saturn Education Trust**

Ward Goodman
Statutory Auditor
4 Cedar Park
Cobham Road
Ferndown Industrial Estate
Wimborne
Dorset
BH21 7SF



Saturn Education Trust
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for the Year Ended 31 August 2018

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Saturn Education Trust

**Reference and Administrative Details
for the Year Ended 31 August 2018**

MEMBERS

B P Mullany
Canon J Tubbs
K Sutton (appointed 20.10.2017)
M Marchant (resigned 01.07.2018)
S Turnock
Very Reverend J Mann (appointed 01.07.2018)

TRUSTEES

N Beckett (resigned 31.1.2018)
L C Manningham-Buller
B P Mullany
K Sutton (resigned 20.10.2017)
T M Evans
A Hansford
Reverend I Jackson
Professor D Hounsell
A Darley (appointed 12.12.2017)
T Hobson (appointed 12.12.2017)
L Bonay

COMPANY SECRETARY

J Ramsden

REGISTERED OFFICE

Corfe Castle CE Primary School
East Street
Corfe Castle
Wareham
Dorset
BH20 5EE

REGISTERED COMPANY NUMBER

09578698 (England and Wales)

AUDITORS

Ward Goodman Audit Services Limited
Statutory Auditor
4 Cedar Park
Cobham Road
Ferndown Industrial Estate
Wimborne
Dorset
BH21 7SF

Saturn Education Trust

Report of the Trustees for the Year Ended 31 August 2018

The trustees of the Saturn Education Trust ('The Trust') present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates three rural primary schools within the Purbeck area of Dorset, namely Corfe Castle CE Primary School ('Corfe Castle'), St Mark's CE Primary School ('St Mark's') and Wareham St Mary CE Primary School ('Wareham St Mary'). It has a combined pupil capacity of 525 and has a roll of 459 in the schools based on the Autumn 2018 census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charity constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of associations are the primary governing documents of the Trust. The trustees of Saturn Education Trust are also the directors of the charitable company for the purpose of company law. The charitable company is known as the Saturn Education Trust.

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

Trustees' Indemnities

In accordance with normal practice, the Trust has secured liability protection for claims against any member, trustee or governor arising from negligent acts, errors or omissions whilst on Trust business. This protection is provided through the Department for Education Risk Protection Arrangement (RPA). As an alternative to commercial insurance for academy trusts, under RPA the UK government covers the losses instead of commercial insurance.

Recruitment and appointment of new trustees

The Trust Board composition is reviewed at the Annual General Meeting of members. The Board has reviewed the skills and experience it needs and seeks to recruit new trustees, when needed, to meet these needs. Trustees are appointed in accordance with the provisions in the Trust's Articles of Association

Induction and training of new trustees

Trustee induction is led by the Chair of the Trust Board. Training sessions are held as required to meet identified needs and the Trust is able to draw upon services from Dorset County Council ('DCC') and the Salisbury Diocesan Board of Education ('SDBE') to provide individual trustees with guidance, support and training services.

Saturn Education Trust

Report of the Trustees for the Year Ended 31 August 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Trust Board may exercise all the powers of the Company and is accountable to the Members (under the Trust's Articles of Association) and to the Secretary of State for Education (under statute and the Trust's Funding Agreement). During 2017-18, the Trust Board met on six occasions to discharge these responsibilities and established a further committee, the Finance, Audit and Pay Committee, which met on three occasions. This regular cycle has been retained for 2018-19. The Trust Board delegates the following responsibilities to the Finance, Audit and Pay Committee:

- to review the risks that the Trust recognises and advise the Board of the appropriateness of the risk assessment and management strategies
- to put in place appropriate and effective internal and external audit processes
- to ensure that the Trust has effective processes for planning and overseeing all contracts
- to ensure that the Trust has an effective performance management process
- to advise the Board on the financial planning and budget setting for the Trust
- to monitor the agreed budget throughout the year and advise the Board on any substantive deviation from the budget or budget forecast
- to review pay awards annually for all staff across the Trust.

The Trust Board is non-executive other than the Chief Executive Officer (CEO) of the Trust. The day-to-day operation of the Trust is delegated by the Board to the CEO, and whose performance is reviewed as part of the Trust-wide performance management arrangements. The Trust Board delegates the following responsibilities to the CEO:

- ensure the Trust fulfils all its legal and regulatory requirements
- understand the national and local context for education and ensure these are reflected in local priorities
- develop (with the Trust), and lead delivery of, the strategic vision for the Trust
- ensure (with the Academic Board) that the curriculum across all schools develops to meet the current and future educational needs
- evaluate all schools' performance and identify with the Academic Board priorities for improvement and ensure delivery of agreed improvements and targets
- ensure that the overall strategy for pupils with special educational needs and disabilities is effective and complies with national guidelines and expectations
- recruit, manage and ensure the development of the Trust's leadership team
- to set targets for, and review the performance of, the Heads of School in partnership with Local Governing Bodies
- ensure the proper management of finance and budgets, including acting as the Trust Accounting Officer
- ensure that third party agencies are delivering the services that schools require
- ensure the health, safety and safeguarding of all staff and pupils
- market and promote the Trust to parents and the community
- develop and expand the Trust.

The CEO is the Accounting Officer under the Trust's Funding Agreement, and as such is accountable to Parliament for the finance and administrative arrangement of the Trust. The CEO directs the Trust Team Leader for Finance and Administrative who is designated as the Trust's Chief Financial Officer.

Each school has a Local Governing Body ('LGB'). The LGBs are non-executive other than each school's Head of School. The Trust Management Board delegates the following responsibilities to each LGB:

- to set and periodically review the school ethos, aims and objectives
- to review and approve the school's self-evaluation, including consideration of external reports and assessments
- to review, approve and monitor the school performance targets and development plan
- to monitor progress and attainment of all pupils, including analysis for all key cohorts and vulnerable groups
- to review the curriculum policy and ensure that all areas of the curriculum are periodically reviewed, assessed and developed as needed and desired
- to report as required to the Trust Board on matters including, but not limited to, pupil progress and attainment, improvement initiatives, spending of targeted budgets (e.g.: Pupil Premium, Sports funding) and attendance
- to review and approve school brochures and the annual report, if required, to parents
- to set targets for, and review the performance of, the Head of School in partnership with the CEO of the Trust
- to appoint local governors for safeguarding and health & safety and receive periodic reports from the same
- to review, approve and monitor schools attendance, behaviour and bullying policies
- to review the school staffing structure including key roles and responsibilities for approval by the Trust Board
- to advertise as required and appoint staff (with the exception of the Head of School) to fill agreed vacancies in the approved staffing structure
- to review and respond to staff survey outcomes
- to review and respond to parent survey outcomes
- to ensure the school adopts defined Trust policies and develops local school policies as required
- to agree how the school discretionary budget should be used and ensure effective monitoring and control of all aspects within the school's control
- to maintain a Register of Business and Pecuniary Interests for all governors and senior school staff with financial responsibilities.
- to review the governing body's effectiveness and identify required recruitment, training and development.

Saturn Education Trust

Report of the Trustees for the Year Ended 31 August 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Key management remuneration

Members, trustees and governors are not remunerated other than the CEO and Heads of School. Pay and remuneration is set under the Trust's Pay Policy which is reviewed annually by the Trust Board. The Pay Policy follows the model Dorset County Council Policy which is consistent with the annually issued School Teachers' Pay and Conditions Document.

As required under the Trust's Funding Agreement, all teachers, including the CEO and Heads of School, are offered access to the national Teachers' Pension Scheme. All other staff are offered access to the Local Government Pension Scheme.

Trade union facility time

Relevant union officials

Number of employees who were relevant union official during the relevant period	Full-time equivalent employee numbers
0	53

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	£0
Total pay bill	£2,027,426
Percentage of total pay bill spent on facility time	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0%
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Related parties

The Trust is linked to the Diocese of Salisbury through the Salisbury Diocesan Board of Education (SDBE) which is a member of the Trust.

OBJECTIVES AND ACTIVITIES

Objectives and activities

The Trust's object, as set out in its Articles of Association, 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 and which shall include:

- i. Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education; and
- ii. Other Academies whether with or without a designated religious character; but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England."

In pursuit of this object, the core aim of the Trust is to improve the outcomes and create better opportunities for all our young people in our local communities.

All schools within the Trust are committed to provide our children with excellent education; we are committed to nurture and inspire our children to achieve their potential; morally, spiritually, socially, culturally and academically; regardless of their educational needs and their social, economic or cultural background. We want to ensure that all those who leave our schools are confident, and can think and act responsibly and independently.

The Trust's aim is to build education communities that 'Learn Together'. To achieve this, the Trust adopts three key strategies to enable the local schools to succeed:

- Share: We will share knowledge, skills and resources across the Trust to ensure that we deliver and evolve the best practices in all schools.
- Support: We will design our processes, training and systems to deliver the support that all staff need if they are to continually develop and excel.
- Challenge: We will create a reflective culture that allows professionals to review the outcomes we enable our children to achieve, and to assess our effectiveness at delivering these outcomes.

Saturn Education Trust

Report of the Trustees for the Year Ended 31 August 2018

The Trust's philosophy revolves around securing a thriving, vibrant future for local schools which might otherwise find it hard to excel in a world of increasingly scarce skills and reduced funding. We will succeed by enabling our dedicated staff to shine, by embracing the commitment of our governors, directors and trust members, and by enabling our young people to enjoy their education.

Objectives, Strategies and Activities

The key objective for the year was to improve attainment and progress outcomes at all schools within the Trust by developing leadership and middle management ability, improving the quality of teaching and learning and investing in new schemes to enhance provision, and focusing on the outcomes for disadvantaged groups.

Public benefit

The trustees confirm that they have complied with the duty contained in the Charities Act 2011 to have due regard to the Charities Commission's general guidance on public benefit in exercising their duties. The trustees have referred to this guidance when reviewing the Trust's aims and objectives, and in planning its future activities.

The Trust provides opportunities for children, their parents and the local communities that it serves through a range of extra-curricular activities and opportunities.

The Trust supports all schools and develops the 'Share-Support-Challenge' ethos across all that we do. We have very clear commitments to raise outcomes for children across all schools and share the good practice. We consistently maintain relationships with other local schools and the local community.

STRATEGIC REPORT

Achievement and performance

Achievements and performance

Whilst the year was substantially focused on continuing the work needed to improve teaching and learning across the schools, we have commenced a review of the medium term options for the Trust. As reported in our last Annual Report, the Board recognises the national emphasis for consolidation towards larger Multi Academy Trusts ('MATs'), with the inherent enhancement in terms of capacity and sustainability that this might bring. We are actively reviewing options with a view to concluding our considerations by December 2018.

There have also been leadership changes at the Trust. In January 2018, Nigel Beckett relinquished his role as CEO and Accounting Officer in order to focus delivering improvements at Wareham St Mary and he will leave employment by the Trust on 31 December 2018. We are pleased to report that our Head at Swanage St Mark's accepted our offer to take on these roles during the remainder of the year on an interim basis. This appointment will be reviewed after the consideration of our medium term strategy as outlined in the above paragraph.

During the year, all three of the Trust's schools were inspected by OFSTED. We were pleased that two schools, Corfe Castle and St Mark's, maintained their 'Good' ratings, reinforcing our confidence that much has been done over the last three years to continually improve these schools. At Wareham St Mary, the OFSTED outcome was an overall evaluation of "Requires Improvement". We fully support this conclusion by OFSTED. Subsequent to the inspection, there have been leadership changes at this school and the Board is confident that the plans put in place by the Interim CEO will have a rapid impact on the school.

Saturn Education Trust

Report of the Trustees for the Year Ended 31 August 2018

STRATEGIC REPORT

Achievement and performance

Key performance indicators

Academic Performance Indicators

The Trust measures pupils' attainment and progress throughout their journey within our schools. Nationally, performance measures are primarily related to four points in this journey; end of Reception year, end of year 1 (phonics), end of year two (core subjects) and end of year six (core subjects).

Reception Year

Nationally a range of 17 measures are used to evaluate the development of children at the end of their 'reception' year. If children meet the required level in a specific subset of these measures they are deemed nationally to have achieved "Good Levels of Development" ('GLD'). The tables below shows the trend of results at each school, but it is recognised based on the assessment of entry, targets set at the beginning of the year for CCP was 56%, this was exceeded. The outcomes are highly dependent on the baseline of the specific children on entry to the schools.

End of Reception Year	% Pupils with GLD		
Schools	2015-16	2016-17	2017-18
Corfe Castle	65%	73%	60%
St Mark's	67%	55%	70%
Wareham St Mary	68%	71%	71%
National Averages	70%	71%	71%

Year 1 - Phonics

Whilst two schools, St Mark's and Wareham St Mary, have delivered lower phonics outcomes this year, the levels continue to be reasonable across all schools within the Trust given the starting points of the pupils on entry. The Board is alert to the lower attainment trend at the two schools and actions are in place to ensure that a review of provision is part of development plans this year.

Phonics - End of Year 1 Attainment	% Met the Standard		
Schools	2015-16	2016-17	2017-18
Corfe Castle	92%	73%	79%
St Mark's	70%	77%	62%
Wareham St Mary	84%	87%	70%
National Averages	81%	81%	82%

End of Year 2 - Attainment

Whilst there remains variation in attainment at the end of Year 2, the percentage of pupils across the Trust who met or exceeded Age Related Expectations ('ARE') is in line with national expectations. The three year improving trends evidence the overall impact of our improvement initiatives since formation of the Trust, although we recognise the weaker outcomes at Wareham St Mary.

End of Year 2 Attainment	% ARE Reading			% ARE Writing			% ARE Maths		
	2015 - 2016	2016 - 2017	2017 - 2018	2015 - 2016	2016 - 2017	2017 - 2018	2015 - 2016	2016 - 2017	2017 - 2018
School									
Corfe Castle	30%	68%	74%	30%	69%	65%	70%	69%	70%
St Mark's	29%	64%	76%	14%	54%	76%	36%	64%	88%
Wareham St Mary	68%	83%	67%	64%	66%	63%	86%	76%	67%
National Averages	74%	76%	75%	65%	68%	70%	73%	75%	76%

End of Year 6 - Attainment and Progress

Attainment at the end of Year 6 is measured based on the percentage of pupils that achieve the ARE in each subject.

Both Corfe Castle and St Mark's have delivered improved attainment outcomes this year. We were very disappointed with the outcomes at Wareham St Mary which were well below national and well below the internal targets we had agreed. This school is the focus of significant investment in the coming year.

End of Year 6 Attainment (% ARE)	% ARE Reading			% ARE Writing			% ARE Maths		
	2015 - 2016	2016 - 2017	2017 - 2018	2015 - 2016	2016 - 2017	2017 - 2018	2015 - 2016	2016 - 2017	2017 - 2018
School									
Corfe Castle	73%	80%	79%	64%	73%	86%	45%	60%	79%
St Mark's	69%	55%	62%	63%	64%	86%	56%	36%	76%
Wareham St Mary	61%	72%	57%	30%	72%	64%	74%	76%	57%
National Averages	66%	71%	75%	74%	76%	78%	70%	75%	76%

Saturn Education Trust

Report of the Trustees for the Year Ended 31 August 2018

STRATEGIC REPORT

Achievement and performance

Key performance indicators

In addition to attainment, progress of pupils is measured against national expectations given the start point of each child at the end of their Year 2. A school that is delivering progress in line with national average is expected to deliver a progress score of zero, although variations of -1.0 to +1.0 might be entirely consistent with national outcomes dependent on the cohort size.

Progress scores reflect a similar pattern to that seen for attainment with Corfe Castle and St Mark's delivering good outcomes, whilst Wareham St Mary has not delivered the progress outcomes expected.

Year 2 to 6 Progress Scores	Reading			Writing			Mathematics		
School	2015 - 2016	2016 - 2017	2017 - 2018	2015 - 2016	2016 - 2017	2017 - 2018	2015 - 2016	2016 - 2017	2017 - 2018
Corfe Castle	0.9	2.3	0.7	-4.1	-1.1	0.2	-2.3	-0.3	-1.3
St Mark's	-4.6	-5.3	-1.6	-7.1	-1.7	2.1	-4.5	-6.9	1.2
Wareham St Mary	-3.2	-1.7	-4.4	-7.3	-3.2	-1.7	-0.1	-3.9	-4.1
National Averages	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Non Academic Performance Indicators

In addition to the academic outcomes, we also have a range of non academic indicators. Those that are a strong indicator of income and expenditure controls are pupil numbers and staff ratios respectively.

Pupil Numbers

In 2016/17 the total number of pupils across the Trust increased by 29 (6.6%). Pupil numbers have fallen by 11 (2.3%) 2018/19. We consider that numbers will remain consistent at this level in future years. The table below provides a breakdown of pupil numbers per school.

Pupil Numbers at Census Date

School	October 2015	October 2016	October 2017	October 2018
Corfe Castle	101	97	108	101
Wareham St Mary	178	185	190	185
St Marks	144	159	172	173
Total	423	441	470	459

Staff Ratios

We compare staff ratios against comparative national benchmarks for trusts across the UK with similar characteristics to our own. Specifically, the national data-set allows us to compare our data with eleven other primary school multi-academy trusts with 3 or 4 schools and income in the range £2-3m. These indicators suggest that staffing costs are in line with national norms, and reflect the high levels of expenditure on classroom teaching and teaching support. These benchmarks need to be used with a degree of caution as structural differences (eg: inclusion of community facilities) are not explicitly stated.

Benchmarks (FY2016/17)

	Pupils per teacher	Teaching Costs per pupil	Education Support Staff costs per pupil	Administrative and Premises staff costs per pupil
Saturn Education Trust	17.8	£2,418	£964	£519
Other Similar Trusts	19.3	£2,248	£882	£526

Saturn Education Trust

Report of the Trustees for the Year Ended 31 August 2018

STRATEGIC REPORT

Financial Review

Most of the Trust's income is obtained from the Department for Education ('DfE') via the Education & Skills Funding Agency ('ESFA') in the forms 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 ('SOFA').

The Trust made a surplus for the year of £6,188 (2017: £90,027 deficit) from operating activities, this was before charges to the pension reserve. After taking into consideration charges for pension and other recognisable gains/losses. The overall Net Movement in Funds for the year was £63,188 compared to an in year deficit of £186,027 in the previous year.

At the year ended 31 August 2018, the Trust had Revenue Reserves totalling £240,662 (note 20) which combines the unrestricted (General Fund) of £36,798 (2017: £27,508) and the restricted (General Fund) of £203,864 (2017: £209,679). This compared to £237,187 at 31 August 2017. This in year operating deficit is much reduced as a result of prior year increases in pupil numbers.

At the year ended 31 August 2018, the Trust's Balance Sheet showed a Net Current Assets position of £211,687 (£218,438, August 2017). Due to the requirement of disclosing the Trust's element of the deficit within the Local Government Pension Scheme (Non-teaching Staff) amounting to £1,048,000 (£1,105,000 August 2017) resulting in a Net Liability position of £796,576 (£859,764, August 2017). Due to the nature of the funding agreement for the Trust, this scheme is back by the DfE. The deficit is incorporated within the SOFA with details within note 21 to the financial statements.

Going Concern

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

Reserves Policy

During the year the Trust reviewed its reserves to recognise the specific risks for which the reserves are held. The principle of the Trust's policy is to spend its revenue income on the pupils in its care during that year. Please refer to Note 19 (allocation of reserves) for further detail. Current reserves exceed the minimum reserves that the Trust aims to maintain.

Investment Policy

The Trust is firmly committed to ensuring that all funds under its control are administered under a risk averse investment strategy. As such the Trustees do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the funds entrusted to the Board.

Principal risks and uncertainties

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

Reputational

The Board recognises a range of factors including academic outcomes, OFSTED ratings, pupil behaviour and parental engagement which, if not properly managed, could lead to damage to the reputation of the Trust. To mitigate these risks, the Board has embedded comprehensive reporting systems at school and trust level to provide regularly updates on key indicators such as attainment, progress, attendance and delivery of improvement plans.

Teaching

The Board recognises that the quality of teaching in every classroom is fundamentally important to the success of the Trust. The Trust continues to invest in monitoring and assessment processes and systems to ensure that the quality of teaching is continuously evaluated. We continue to invest in training in order to ensure all staff share and develop the skills required and we recognise the need to further develop consistent strategies to deliver excellent outcomes for our children with educational disadvantage.

Infrastructural

The Board recognises that the health, safety and safeguarding of all pupils, staff and visitors to our schools is of paramount importance. Consistent policies and procedures are adopted across all schools, including regular site and safeguarding audits, and are integral to managing these risks. We have also invested in our information infrastructure and training to ensure that the Trust is able to meet the requirements of the new General Data Protection Regulations ('GDPR').

Financial

The Board recognises that effective financial management is critical if the Trust is to thrive in an educational context that is increasingly short of financial resources. Robust strategic and annual budgeting, monthly reporting, internal and external audits, segregation of duties and robust operational processes are in place.

Saturn Education Trust

**Report of the Trustees
for the Year Ended 31 August 2018**

STRATEGIC REPORT

Governance

The Board recognises the risks associated with its reliance of good volunteer governance of each school and the Trust as a whole. Encouraging robust challenge, ensuring the right governance skills and having in place an effective scheme of delegation are key to mitigating these risks.

The Trust continues to manage the above risks through regular review of the risks and periodic reporting.

Future plans

The major priority for this year is to make significant changes to the management, teaching and learning at Wareham St Mary, without putting at risk the improvements delivered at the schools. Development plans are in place for the other schools and the Board will ensure that these plans are duly resourced to sustain the momentum of continuing improvements.

In addition, the Trust will be proactive in reviewing the options for the medium term. This may involve becoming the Purbeck hub within a larger Trust. The Trust will also continue to participate in MAT and school networks within the Dorset area to enable effective learning and peer to peer support.

These aspirations have been shared with the South West Regional Schools Commissioner.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Ward Goodman, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 12/12/18 and signed on the board's behalf by:

B F Mullany - Trustee

Saturn Education Trust

Governance Statement for the Year Ended 31 August 2018

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Saturn 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 of loss.

The board of the trustees has delegated the day-to-day responsibility to the Principal, 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 Saturn 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.

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

The Trust Board has delegated the day-to-day responsibilities to the CEO, 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 the Saturn Education Trust and the Secretary of State for Education. The CEO also has responsibility for reporting to the Trust Board any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' Responsibilities. The Trust Board has formally met six times during the period. Attendance was as follows:

Trustees	Meetings attended	Out of a possible
N Beckett (as Chief Executive & Accounting Officer to 31 January 2018)	2	2
L Bonay	3	6
S Craig (as Accounting Officer from 31 March 2018)	2	2
A Darley (appointed 12 December 2017)	2	4
T M Evans	5	6
A Hansford	2	6
T Hobson (appointed 12 December 2017)	4	4
D Hounsell	5	6
Rev I Jackson	2	6
L Manningham-Buller	6	6
B Mullany (Chairman)	6	6

The Finance Audit & Pay Committee is a sub-committee of the main board of trustees. Its purpose is to:

- To review the risks that the Trust recognises and advise the Board of the appropriateness of the risk assessment and management strategies
- To put in place appropriate and effective internal and external audit processes
- To ensure that the Trust has effective processes for planning and overseeing all contracts
- To ensure that the Trust has an effective performance management process
- To advise the Board on the financial planning and budget setting for the Trust
- To monitor the agreed budget throughout the year and advise the Board on any substantive deviation from the budget or budget forecast
- To review pay awards annually for all staff across the Trust.

During this reporting period (2017/18) the Finance, Audit and Pay committee met three times.

Trustees	Meetings Attended	Out of a possible
N Beckett (as Chief Executive & Accounting Officer to 31 January 2018)	0	1
S Craig (as Accounting Officer from 31 March 2018)	1	1
T M Evans	3	3
A Hansford	2	3
B Mullany	3	3

In June 2016 the Board commissioned an external review of governance by the SDBE which concluded that the Trust was in a sound position to meet the external challenges and make the right decisions for the continued academic improvements and MAT growth. No further external review has since been commissioned but our internal reviews indicate an increasing concern over the capacity of Directors and Governors to comprehensively fulfill the breadth of obligations being placed on them. Accordingly, the Trust during the coming period intends to seek external support to determine what actions it can take to tackle this issue.

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.

Saturn Education Trust
Governance Statement
for the Year Ended 31 August 2018

Review of Value for Money

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 Trust Board 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 as follows:

- As around 80% of Trust expenditure relates to direct and indirect staff costs, the Trust and member schools regularly review staffing structures and staff deployment and it adopts effective performance management systems to ensure that it achieves best value in this area.
- To ensure best value in the remaining expenditure areas, the Trust uses only known suppliers with proven capacity to provide quality, quantity and timely delivery at a competitive price. The Trust adopts periodic competitive tendering where appropriate. For example, the Trust concluded the competitive tendering and selection of a new suppliers for energy and ground maintenance during this period.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of charitable company 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 Saturn Education Trust for the period 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 charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 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 Finance, Audit and Pay 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 2017/18 internal control review was carried out by A Hansford (a Director of the Trust). The nature of the review was to look at the systems and processes (internal checks) that the Trust operated and to make recommendations.

The internal review followed the Charities Commission guidance (CC8) - Internal Financial Controls for Charities. In particular the checks carried out included:

- testing of Income - Cash Handling
- testing of purchase systems
- testing of control accounts
- testing of fixed assets

The review provides assurance on the operation of the system of control and on the discharge of the Trust Board financial responsibilities.

It is the intention of the Board that in 2018/19 the same approach will be followed.

Saturn Education Trust

**Governance Statement
for the Year Ended 31 August 2018**

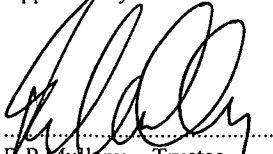
Review of Effectiveness

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:

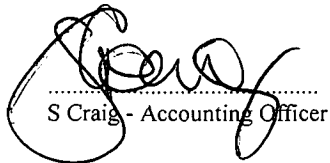
- the work of the internal control review
- the work of the external auditor
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Audit and Pay Committee.

Approved by order of the members of the board of trustees on 12/12/18 and signed on its behalf by:



.....
P P Mullaney - Trustee



.....
S Craig - Accounting Officer

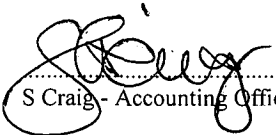
Saturn Education Trust

**Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2018**

As accounting officer of Saturn Education Trust I have considered my responsibility to notify the charitable company board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the charitable company, under the funding agreement in place between the charitable company and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of all funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2017.

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


S Craig - Accounting Officer

Date: 12/12/18

Saturn Education Trust

Statement of Trustees Responsibilities for the Year Ended 31 August 2018

The trustees (who act as governors of Saturn Education Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency, 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" and applicable law and regulations.

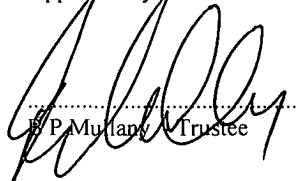
Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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 the ESFA/DfE have been applied for the purposes intended.

Approved by order of the board of trustees on 12/12/18 and signed on it's behalf by:


P. Mulvaney, Trustee

Report of the Independent Auditors to the Members of Saturn Education Trust

Opinion

We have audited the financial statements of Saturn Education Trust (the 'charitable company') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, 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' and the Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland';
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company 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.

**Report of the Independent Auditors to the Members of
Saturn Education Trust**

Responsibilities of trustees

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

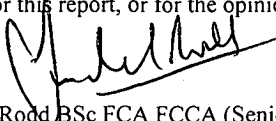
Our responsibilities for the audit of the financial statements

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

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

Use of our report

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



Mr I M Rodd BSc FCA FCCA (Senior Statutory Auditor)
for and on behalf of Ward Goodman Audit Services Limited
Statutory Auditor
4 Cedar Park
Cobham Road
Ferndown Industrial Estate
Wimborne
Dorset
BH21 7SF

Date: 12 December 2018

**Independent Reporting Auditor's Assurance Report on Regularity to
Saturn Education Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Saturn Education Trust during the period 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 Saturn 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 Saturn 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 Saturn Education Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Saturn Education Trust's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of Saturn Education Trust's funding agreement with the Secretary of State for Education 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 period 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.

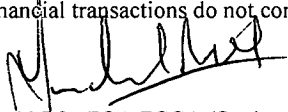
The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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 charitable company's income and expenditure.

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 period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mr I M Rodd BSc FCA FCCA (Senior Statutory Auditor)
for and on behalf of Ward Goodman Audit Services Limited
Statutory Auditor
4 Cedar Park
Cobham Road
Ferndown Industrial Estate
Wimborne
Dorset
BH21 7SF

Date: 12 December 2018

Saturn Education Trust

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2018**

		Unrestricted fund £	Restricted funds £	Pension reserve £	2018 Total funds £	2017 Total funds £
	Notes					
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	4	-	21,755	-	21,755	18,830
Charitable activities						
Funding for the academy's educational operations	5	-	2,239,803	-	2,239,803	2,183,587
Other trading activities	6	-	18,273	-	18,273	14,690
Investment income	7	-	218	-	218	301
Other income		<u>9,290</u>	<u>1,895</u>	<u>-</u>	<u>11,185</u>	<u>14,457</u>
Total		9,290	2,281,944	-	2,291,234	2,231,865
EXPENDITURE ON						
Charitable activities						
Academy's educational operations		-	2,270,018	146,000	2,416,018	2,447,725
Other		<u>-</u>	<u>15,028</u>	<u>28,000</u>	<u>43,028</u>	<u>31,167</u>
Total	8	-	2,285,046	174,000	2,459,046	2,478,892
NET INCOME/(EXPENDITURE)		9,290	(3,102)	(174,000)	(167,812)	(247,027)
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		<u>-</u>	<u>-</u>	<u>231,000</u>	<u>231,000</u>	<u>61,000</u>
Net movement in funds		9,290	(3,102)	57,000	63,188	(186,027)
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>27,508</u>	<u>217,728</u>	<u>(1,105,000)</u>	<u>(859,764)</u>	<u>(673,737)</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>36,798</u></u>	<u><u>214,626</u></u>	<u><u>(1,048,000)</u></u>	<u><u>(796,576)</u></u>	<u><u>(859,764)</u></u>

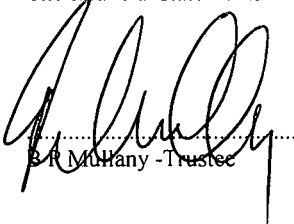
The notes form part of these financial statements

Saturn Education Trust

**Balance Sheet
At 31 August 2018**

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	15	39,737	26,798
CURRENT ASSETS			
Debtors	16	27,629	27,070
Cash at bank and in hand		<u>320,803</u>	<u>329,382</u>
		348,432	356,452
CREDITORS			
Amounts falling due within one year	17	(136,745)	(138,014)
NET CURRENT ASSETS		<u>211,687</u>	<u>218,438</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		251,424	245,236
PENSION LIABILITY	21	(1,048,000)	(1,105,000)
NET ASSETS/(LIABILITIES)		<u>(796,576)</u>	<u>(859,764)</u>
FUNDS	20		
Unrestricted funds:			
General fund		36,798	27,508
Restricted funds:			
Restricted fund		203,864	209,679
Pension reserve		(1,048,000)	(1,105,000)
Fixed asset fund		<u>10,762</u>	<u>8,049</u>
		(833,374)	(887,272)
TOTAL FUNDS		<u>(796,576)</u>	<u>(859,764)</u>

The financial statements were approved by the Board of Trustees on 12/12/18 and were signed on its behalf by:


B. R. Mullaney - Trustee

Saturn Education Trust
Cash Flow Statement
for the Year Ended 31 August 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Cash generated from operations	1	19,352	(102,332)
Interest paid		<u>(183)</u>	<u>(153)</u>
Net cash provided by (used in) operating activities		<u>19,169</u>	<u>(102,485)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(27,966)	(22,123)
Interest received		<u>218</u>	<u>301</u>
Net cash provided by (used in) investing activities		<u>(27,748)</u>	<u>(21,822)</u>
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		(8,579)	(124,307)
Cash and cash equivalents at the beginning of the reporting period		<u>329,382</u>	<u>453,689</u>
Cash and cash equivalents at the end of the reporting period		<u>320,803</u>	<u>329,382</u>

The notes form part of these financial statements

Saturn Education Trust

**Notes to the Cash Flow Statement
for the Year Ended 31 August 2018**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(167,812)	(247,027)
Adjustments for:		
Depreciation	15,027	10,167
Interest received	(218)	(301)
Interest paid	183	153
(Increase)/decrease in debtors	(559)	15,016
Decrease in creditors	(1,269)	(37,340)
Difference between pension charge and cash contributions	<u>174,000</u>	<u>157,000</u>
Net cash provided by (used in) operating activities	<u><u>19,352</u></u>	<u><u>(102,332)</u></u>

Saturn Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

1. LEGAL FORM

Saturn Education Trust is a Multi Academy Trust and a Charitable Company limited by guarantee (exempt charity) and registered in England and Wales. The registered office is disclosed on page 1.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2017 to 2018 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

Going concern

These accounts have been prepared using the going concern basis of accounting. There are no material uncertainties casting doubt on the charitable company's ability to continue as a going concern. The Board consider that there are adequate resources for the Trust to continue as a going concern for the foreseeable future.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

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

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

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

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

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

Saturn Education Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

2. ACCOUNTING POLICIES - continued

Donated goods, facilities and services

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Debtors

Debtors due within one year are measured at undiscounted transaction price.

Creditors

Creditors due within one year are measured at undiscounted transaction price.

Charitable activities

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 2% on cost
Fixtures and fittings	- Straight line over 4 years
Motor vehicles	- Straight line over 4 years

Land and buildings are owned by The Salisbury Diocesan Board of Education. The Academy Trust is licenced to occupy the land and buildings for the purpose of operating Church of England schools for as long as it has a Funding Agreement with the Secretary of State to do so. However, the Diocese has the right to withdraw access with 2 years notice. Land and buildings are therefore not included as fixed assets of the trust.

Improvements to property are funded by the trust and are therefore included within the financial statements. The Trust's accounting policy for depreciating the improvements is set at 2% on cost after considering that access to buildings being withdrawn is extremely unlikely.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives 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 can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Saturn Education Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective benefit method. The TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on settlements and curtailments. They are included as part of staff costs, as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Saturn Education Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

2. ACCOUNTING POLICIES - continued

Significant judgements and estimates

In the application of the charitable company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following paragraph describes the critical judgements, apart from those involving estimates (dealt with separately below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

There are no critical judgements, apart from those involving estimates.

The following are areas that are considered to be key sources of estimation uncertainty.

Useful life and residual values of tangible fixed assets;

The economic useful life of tangible fixed assets and the expected residual value on future disposal is estimated by the Directors based on their experience. The total carrying value of fixed assets at 31 August 2018 is £39,737.

Defined benefit pension deficit;

The defined benefit pension deficit included in the balance sheet is at a valuation provided by a qualified actuary. The actuary makes assumptions and estimates in order to arrive at the figure. The directors have placed reliance on the actuary's valuation.

Financial instruments

Financial instruments are recognised in the balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Basic financial assets;

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of future receipts discounted at a market rate of interest.

Basic financial liabilities;

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price. Financial liabilities due in more than one year are initially measured at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities constituting financing transactions are initially measured at the present value of the future payments discounted at a market rate of interest.

Derecognition of financial assets and liabilities;

Financial assets and liabilities are derecognised when the charitable company's contractual rights or obligations expire or are discharged, transferred or cancelled.

3. GENERAL ANNUAL GRANT

Under the funding agreement with the Secretary of State the academy trust was not subject to any limits on the amount of GAG that could be carried forward from one year to the next.

Saturn Education Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

4. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Donations	-	21,755	21,755	16,725
Grants	-	-	-	2,105
	-	21,755	21,755	18,830

Grants received, included in the above, are as follows:

	2018 £	2017 £
Other grants	-	2,105

5. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Catering income	-	10,305	10,305	12,704
Music income	-	400	400	358
Trip income	-	17,390	17,390	19,261
Grants	-	2,211,708	2,211,708	2,151,264
	-	2,239,803	2,239,803	2,183,587

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	2,110,854	2,110,854	2,032,588
Other DfE/ESFA Grants	-	37,186	37,186	35,037
	-	2,148,040	2,148,040	2,067,625
Other government grant				
Other government grants	-	45,928	45,928	66,798
Other grants				
Other grants	-	17,740	17,740	16,841
	-	2,211,708	2,211,708	2,151,264

6. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Miscellaneous income	-	18,273	18,273	14,690

Saturn Education Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

7. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Deposit account interest	<u>-</u>	<u>218</u>	<u>218</u>	<u>301</u>

8. EXPENDITURE

	Staff costs £	Non-pay expenditure Premises £	Other costs £	2018 Total £	2017 Total £
Charitable activities					
Academies educational operations					
Direct costs	1,999,426	89,948	315,629	2,405,003	2,434,975
Allocated support costs	<u>-</u>	<u>-</u>	<u>11,015</u>	<u>11,015</u>	<u>12,750</u>
	1,999,426	89,948	326,645	2,416,018	2,447,725
Other	<u>-</u>	<u>-</u>	<u>43,028</u>	<u>43,028</u>	<u>31,167</u>
	<u>1,999,426</u>	<u>89,948</u>	<u>341,672</u>	<u>2,459,046</u>	<u>2,478,892</u>

Net income/(expenditure) is stated after charging/(crediting):

	2018 £	2017 £
Auditors remuneration	7,600	7,380
Depreciation - owned assets	<u>15,027</u>	<u>10,167</u>

9. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Direct costs	-	2,433,003	2,405,003	2,434,975
Support costs	<u>-</u>	<u>11,015</u>	<u>11,015</u>	<u>12,750</u>
	<u>-</u>	<u>2,416,018</u>	<u>2,416,018</u>	<u>2,447,725</u>

	2018 Total £	2017 Total £
Analysis of support costs		
Governance costs	<u>11,015</u>	<u>12,750</u>

Saturn Education Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

10. SUPPORT COSTS

	Governance costs £
Academy's educational operations	<u>11,015</u>

Support costs, included in the above, are as follows:

Governance costs

	2018 Academy's educational operations £	2017 Total activities £
Trustees' expenses	-	1,944
Other costs	3,415	3,426
Auditors' remuneration	<u>7,600</u>	<u>7,380</u>
	<u>11,015</u>	<u>12,750</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

Nigel Becket in his capacity as CEO and the Head of Wareham St Mary Primary School.

Gross pay £65,000 - £70,000 (2017: £65,000 - £70,000)

Employer's NI £5,000 - £10,000 (2017: £5,000 - £10,000)

Employer's pension contributions paid £10,000 - £15,000 (2017: £10,000 - £15,000)

Sally Craig was appointed as interim CEO and Accounting Officer, she has not officially been appointed as a Trustee so her remuneration has not been disclosed.

Trustees' expenses

During the period governors were provided with training courses to the value of £nil(2017: £1,944) and no trustees were reimbursed for travelling expenses (2017: £445).

Saturn Education Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

12. STAFF COSTS

	2018	2017
	£	£
Wages and salaries	1,431,041	1,465,386
Social security costs	111,275	110,843
Operating costs of defined benefit pension schemes	<u>393,513</u>	<u>380,945</u>
	1,935,829	1,957,174
Supply teacher costs	<u>63,597</u>	<u>55,451</u>
	<u>1,999,426</u>	<u>2,012,625</u>

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	2018	2017
Management	3	4
Teaching	20	20
Admin/Support	<u>30</u>	<u>32</u>
	<u>53</u>	<u>56</u>

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

	2018	2017
£60,001 - £70,000	<u>1</u>	<u>1</u>

Total remuneration paid to key management staff during the year to 31 August 2018 was £247,718 (2017: £250,809).

Central services

The trust provides central services to its academies for HR and payroll services, management, financial services, legal services and pension costs. These have been recharged based on number of pupils. Recharges to each academy are as follows;

	2018	2017
	£	£
Corfe Castle Primary School	62,295	102,664
St Mark's CE Primary School	102,128	195,802
Wareham St Mary Primary School	<u>118,837</u>	<u>167,908</u>
	<u>283,260</u>	<u>466,374</u>

13. TRUSTEES' AND OFFICERS' INSURANCE

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

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund	Restricted funds	Pension reserve	Total funds
	£	£	£	£
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	-	18,829	-	18,829
Charitable activities				
Funding for the academy's educational operations	-	2,183,587	-	2,183,587
Other trading activities	-	14,690	-	14,690

Saturn Education Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

	Unrestricted fund £	Restricted funds £	Pension reserve £	Total funds £
Investment income	-	301	-	301
Other income	<u>13,211</u>	<u>1,247</u>	<u>-</u>	<u>14,458</u>
Total	13,211	2,218,654	-	2,231,865
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	-	2,311,725	136,000	2,447,725
Other	<u>-</u>	<u>10,167</u>	<u>21,000</u>	<u>31,167</u>
Total	-	2,321,892	157,000	2,478,892
NET INCOME/(EXPENDITURE)	13,211	(103,238)	(157,000)	(247,027)
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	<u>-</u>	<u>-</u>	<u>61,000</u>	<u>61,000</u>
Net movement in funds	13,211	(103,238)	(96,000)	(186,027)
RECONCILIATION OF FUNDS				
Total funds brought forward	14,297	320,966	(1,009,000)	(673,737)
TOTAL FUNDS CARRIED FORWARD	<u>27,508</u>	<u>217,728</u>	<u>(1,105,000)</u>	<u>(859,764)</u>

15. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 September 2017	-	35,590	5,076	40,666
Additions	<u>8,800</u>	<u>19,166</u>	<u>-</u>	<u>27,966</u>
At 31 August 2018	<u>8,800</u>	<u>54,756</u>	<u>5,076</u>	<u>68,632</u>
DEPRECIATION				
At 1 September 2017	-	11,119	2,749	13,868
Charge for year	<u>176</u>	<u>13,688</u>	<u>1,163</u>	<u>15,027</u>
At 31 August 2018	<u>176</u>	<u>24,807</u>	<u>3,912</u>	<u>28,895</u>
NET BOOK VALUE				
At 31 August 2018	<u>8,624</u>	<u>29,949</u>	<u>1,164</u>	<u>39,737</u>
At 31 August 2017	<u>-</u>	<u>24,471</u>	<u>2,327</u>	<u>26,798</u>

Saturn Education Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade debtors	3,716	3,864
Other debtors	-	1,525
VAT	9,344	7,055
Prepayments	<u>14,569</u>	<u>14,626</u>
	<u>27,629</u>	<u>27,070</u>

The total carrying amount of debtors of £27,629 relates to financial assets measured at amortised cost, which for debtors due within one year is equal to the undiscounted transaction price.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	19,612	20,084
Social security and other taxes	55,804	54,597
Other creditors	-	17
Accruals and deferred income	<u>61,329</u>	<u>63,316</u>
	<u>136,745</u>	<u>138,014</u>

Accruals and deferred income includes £53,949 (2017- £55,936) of income deferred as it was received for and applies to the 2018/19 school year.

The total carrying amount of creditors of £136,745 relates to financial liabilities measured at amortised cost, which for creditors due within one year is equal to the undiscounted transaction price.

18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
	£	£
Within one year	841	1,179
Between one and five years	<u>551</u>	<u>1,681</u>
	<u>1,392</u>	<u>2,860</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted funds	Pension reserve	2018 Total funds
	£	£	£	£
Fixed assets	-	39,737	-	39,737
Current assets	36,798	311,634	-	348,432
Current liabilities	-	(136,745)	-	(136,745)
Pension liability	-	-	<u>(1,048,000)</u>	<u>(1,048,000)</u>
	<u>36,798</u>	<u>214,626</u>	<u>(1,048,000)</u>	<u>(796,576)</u>

Saturn Education Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

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

	Unrestricted fund	Restricted funds	Pension reserve £	2017 Total funds £
Fixed assets	-	26,798	-	26,798
Current assets	27,508	328,944	-	356,452
Current liabilities	-	(138,014)	-	(138,014)
Pension liability	-	-	(1,105,000)	(1,105,000)
	<u>27,508</u>	<u>217,728</u>	<u>(1,105,000)</u>	<u>(859,764)</u>

20. MOVEMENT IN FUNDS

	At 1.9.17 £	Net movement in funds £	At 31.8.18 £
Unrestricted funds			
General fund	27,508	9,290	36,798
Restricted funds			
Restricted fund	209,679	(5,815)	203,864
Pension reserve	(1,105,000)	57,000	(1,048,000)
Fixed asset fund	<u>8,049</u>	<u>2,713</u>	<u>10,762</u>
	<u>(887,272)</u>	<u>53,898</u>	<u>(833,374)</u>
TOTAL FUNDS	<u>(859,764)</u>	<u>63,188</u>	<u>(796,576)</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	9,290	-	-	9,290
Restricted funds				
Restricted fund	2,264,203	(2,270,018)	-	(5,815)
Fixed asset fund	17,741	(15,028)	-	2,713
Pension reserve	<u>-</u>	<u>(174,000)</u>	<u>231,000</u>	<u>57,000</u>
	<u>2,281,944</u>	<u>(2,459,046)</u>	<u>231,000</u>	<u>53,898</u>
TOTAL FUNDS	<u>2,291,234</u>	<u>(2,459,046)</u>	<u>231,000</u>	<u>63,188</u>

Saturn Education Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.16 £	Net movement in funds £	At 31.8.17 £
Unrestricted Funds			
General fund	14,297	13,211	27,508
Restricted Funds			
Restricted fund	319,592	(109,913)	209,679
Pension reserve	(1,009,000)	(96,000)	(1,105,000)
Fixed asset fund	<u>1,374</u>	<u>6,675</u>	<u>8,049</u>
	(688,034)	(199,238)	(887,272)
TOTAL FUNDS	<u>(673,737)</u>	<u>(186,027)</u>	<u>(859,764)</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	13,211	-	-	13,211
Restricted funds				
Restricted fund	2,201,812	(2,311,725)	-	(109,913)
Fixed asset fund	16,842	(10,167)	-	6,675
Pension reserve	<u>-</u>	<u>(157,000)</u>	<u>61,000</u>	<u>(96,000)</u>
	2,218,654	(2,478,892)	61,000	(199,238)
TOTAL FUNDS	<u>2,231,865</u>	<u>(2,478,892)</u>	<u>61,000</u>	<u>(186,027)</u>

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

	At 1.9.16 £	Net movement in funds £	At 31.8.18 £
Unrestricted funds			
General fund	14,297	22,501	36,798
Restricted funds			
Restricted fund	319,592	(115,728)	203,864
Pension reserve	(1,009,000)	(39,000)	(1,048,000)
Fixed asset fund	<u>1,374</u>	<u>9,388</u>	<u>10,762</u>
	(688,034)	(145,340)	(833,374)
TOTAL FUNDS	<u>(673,737)</u>	<u>(122,839)</u>	<u>(796,576)</u>

Saturn Education Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

20. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	22,501	-	-	22,501
Restricted funds				
Restricted fund	4,466,015	(4,581,743)	-	(115,728)
Fixed asset fund	34,583	(25,195)	-	9,388
Pension reserve	-	(331,000)	292,000	(39,000)
	<u>4,500,598</u>	<u>(4,937,938)</u>	<u>292,000</u>	<u>(145,340)</u>
TOTAL FUNDS	<u><u>4,523,099</u></u>	<u><u>(4,937,938)</u></u>	<u><u>292,000</u></u>	<u><u>(122,839)</u></u>

Saturn Education Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

20. MOVEMENT IN FUNDS - continued

Total funds analysis by academy

	Total Funds B/fwd at 31.8.17	Movement in funds	Total Funds C/fwd at 31.8.18
Wareham St Mary Primary School	139,382	(2,421)	136,961
Corfe Castle Primary School	122,000	(18,902)	103,098
St Mark's CE Primary School	(71,195)	13,590	(57,605)
Central services	47,000	11,208	58,208
Total restricted and unrestricted general funds	237,187	3,475	240,662
Restricted fixed asset funds	8,049	2,713	10,762
Restricted pension funds	(1,105,000)	57,000	(1,048,000)
Total funds	(859,764)	63,188	(796,576)

Total unrestricted general funds relate to lettings activities at each school and total £36,798 (2017: £27,508).

Comparatives:

	Total Funds B/fwd at 31.8.16	Movement in funds	Total Funds C/fwd at 31.8.17
Wareham St Mary Primary School	163,013	(23,631)	139,382
Corfe Castle Primary School	139,842	(17,842)	122,000
St Mark's CE Primary School	(22,109)	(49,086)	(71,195)
Central services	53,142	(6,142)	47,000
Total restricted and unrestricted general funds	333,888	(96,701)	237,187
Restricted fixed asset funds	1,378	(6,671)	8,049
Restricted pension funds	(1,009,000)	(96,000)	(1,105,000)
Total funds	(1,344,266)	(199,372)	(859,764)

Total unrestricted general funds relate to lettings activities at each school and total £27,508 (2016: £14,297).

Total cost analysis by academy

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

	Staff costs £	Premises £	Other costs £	Governance Costs £	Total £
Wareham St Mary Primary School	656,880	29,186	99,005	-	785,071
Corfe Castle Primary School	416,731	23,062	67,393	-	507,186
St Mark's CE Primary School	606,596	27,203	93,228	-	727,027
Central services	173,219	10,497	71,031	11,015	265,762
Pension fund	146,000	-	28,000	-	174,000
	1,999,426	89,948	358,657	11,015	2,459,046

Saturn Education Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

20. MOVEMENT IN FUNDS - continued

Comparatives:

	Staff costs £	Premises £	Other costs £	Governance Costs £	Total £
Wareham St Mary Primary School	616,908	-	128,963	-	745,871
Corfe Castle Primary School	295,053	-	90,780	-	385,833
St Mark's CE Primary School	618,717	-	105,097	-	723,814
Central services	345,947	3,579	104,098	12,750	466,374
Pension fund	136,000	-	21,000	-	157,000
	<u>2,012,625</u>	<u>3,579</u>	<u>449,938</u>	<u>12,750</u>	<u>2,478,892</u>

21. PENSION AND SIMILAR OBLIGATIONS

Teachers' pension scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £142,698 (2017: £144,535).

A copy of the valuation report and supporting documentation is on the Teachers Pension Website.

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.

Saturn Education Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

21. PENSION AND SIMILAR OBLIGATIONS - continued

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the period ended 31 August 2018 was £136,000, of which employer's contributions totalled £105,000 and employee's contributions totalled £31,000 (31 August 2017 was £135,000, of which employer's contributions totalled £103,000 and employee's contributions totalled £32,000). The agreed contribution rates for future years are 18.8 percent for employers and 5.5% to 6.8% percent 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	At 31 August 2018	At 31 August 2017
Discount rate	2.65%	2.60%
Pension increases	2.30%	2.70%
Salary increases	3.80%	4.20%
Inflation assumption	3.30%	3.60%

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

	At 31 August 2018	At 31 August 2017
Retiring today;		
Males	24.0	23.9
Females	26.1	26.0
Retiring in 20 years;		
Males	26.3	26.2
Females	28.5	28.3

Sensitivity analysis	£000s	£000s	£000s
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	1,945	1,994	2,044
Projected service cost	216	221	227
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	2,000	1,994	1,988
Projected service cost	221	221	221
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	2,038	1,994	1,951
Projected service cost	227	221	216
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	2,058	1,994	1,932
Projected service cost	228	221	214

The academy trust's share of the assets in the scheme were:

Asset breakdown	31 August 2018		31 August 2017	
	£000s	%	£000's	%
Equities	517	55%	441	55%
Liability Driven Investments	118	13%	107	13%
Cash	9	1%	21	3%
Other bonds	65	7%	91	11%
Diversified growth fund	57	6%	35	4%
Property	96	10%	71	9%
Infrastructure	40	4%	35	4%
Multi asset credit	44	5%	n/a	n/a
Total	946	100%	801	100%

Saturn Education Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

21. PENSION AND SIMILAR OBLIGATIONS
- continued

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans 2018 £	Defined benefit pension plans 2017 £
Service cost	250,000	239,000
Net interest from defined benefit asset/liability	28,000	21,000
Administration expenses	1,000	-
	<u>279,000</u>	<u>260,000</u>
Total return on plan assets	19,000	89,000

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans 2018 £	Defined benefit pension plans 2017 £
Defined benefit obligation b/fwd	(1,906,000)	(1,579,000)
Current service cost	(250,000)	(236,000)
Interest cost	(50,000)	(35,000)
Change in financial assumptions	234,000	38,000
Change in demographic assumptions	-	(47,000)
Experience loss/(gain) on defined benefit obligation	-	(13,000)
Past service costs, including curtailments	-	(3,000)
Contributions by scheme participants and other employers	(31,000)	(32,000)
Benefits paid	9,000	1,000
Defined benefit obligation c/fwd	<u>(1,994,000)</u>	<u>(1,906,000)</u>

Changes in the value of the defined benefit assets are as follows:

	Defined benefit pension plans 2018 £	Defined benefit pension plans 2017 £
Fair value of scheme assets b/fwd	801,000	570,000
Contributions by employer	105,000	103,000
Contributions by scheme participants	31,000	32,000
Interest on assets	22,000	14,000
Benefits paid	(9,000)	(1,000)
Return on plan assets (excluding interest income)	(3,000)	75,000
Other actuarial gains/(losses)	-	8,000
Administration expenses	(1,000)	-
	<u>946,000</u>	<u>801,000</u>

Saturn Education Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

21. PENSION AND SIMILAR OBLIGATIONS

- continued

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans 2018 £	Defined benefit pension plans 2017 £
Return on plan assets (excluding interest income)	(3,000)	75,000
Actuarial gains/(losses)	234,000	(14,000)
	<u>231,000</u>	<u>61,000</u>

Total amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans 2018 £	Defined benefit pension plans 2017 £
Defined benefit obligation	(1,994,000)	(1,906,000)
Defined benefit assets	<u>946,000</u>	<u>801,000</u>
Total deficit	<u>(1,048,000)</u>	<u>(1,105,000)</u>

22. RELATED PARTY DISCLOSURES

During the period to 31 August 2018, £850 (2017: £3,625) was paid to Mrs Valerie Beckett, who is the wife of the former Accounting Officer (Nigel Beckett), for the provision of French lessons. Transactions were at arms length and were in accordance with financial regulations and procurement procedures. There were no amounts owed to Mrs Beckett at 31 August 2018.

During the financial year two of the directors' spouses were employed by the trust and paid total remuneration of £24,751.

During the period to 31 August 2018, £288 (2017: £1,170) was paid to SALED Limited which is controlled by the Diocesan Board of Education. No amounts were owed to SALED Limited at 31 August 2018 and 2017.