

Company Registration No. 11281798 (England and Wales)

**DESBOROUGH COLLEGE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS
FOR THE PERIOD ENDED 31 AUGUST 2018**

DESBOROUGH COLLEGE ACADEMY TRUST

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DESBOROUGH COLLEGE ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Nigel Cook (appointed March 2018)
Margaret Brown (appointed March 2018)
Louise Ceska (appointed March 2018)
Grahame Fisher (appointed November 2018)
Richard Jarrett (appointed November 2018)

Trustees

Saghir Ahmed
Sarah Brazenor
Deibo Bowry (Resigned 16 November 2018)
Margaret Brown (Vice Chair)
Nigel Cook (Chair)
Paul Cook
Colin Cox (Resigned 26 November 2018)
Paresh Patel
Zarqa Raja-Asqhar (Appointed 20 July 2018)
Andrew Reekes
John Sparks
Vaughan Chadwick (Resigned 16 August 2018)
Derek Wilson

* All Trustees appointed in March 2018 unless noted above

Senior leadership team

- Principal	Paul Frazer
- Vice Principal	Andrew Wyles
- Vice Principal	John Sparks
- Senior Assistant Principal	Bernadette Eaves
- Assistant Principal	Daniel Clawson
- Vice Principal	Catherine Harden (Appointed 1 September 2018)

Company registration number

11281798 (England and Wales)

Principal and registered office

Desborough College
Shoppenhangers Road
Maidenhead
Berkshire
SL6 2QB
UK

Independent auditor

Smith Hodge & Baxter Audit Services
Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL

DESBOROUGH COLLEGE ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank Plc
45 High Street
Maidenhead
SL6 1JS

Solicitors

Wrigleys Solicitors LLP
19 Cookridge Street
Leeds
LS2 3AG

DESBOROUGH COLLEGE ACADEMY TRUST

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2018

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the period 1 May 2018 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 11 to 18 serving a catchment area in Maidenhead. It has a pupil capacity of 1,150 and had a roll of 904 in the school census on 4 October 2018.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The charitable company operates as Desborough College Academy Trust.

The trustees of Desborough College Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the period, and to the date these accounts are approved, 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

The Academy Trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

Method of recruitment and appointment or election of trustees

The Members may appoint up to 11 Trustees.

Staff Trustees are appointed through any process the Trustees may determine, provided that the total number of Trustees (including the Principal) who are employees of The Academy Trust does not exceed one third of the total number of Trustees.

Parent Trustees are elected by parents of registered pupils of the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time of election. Any election of Parent Trustees which is contested shall be held by secret ballot.

Policies and procedures adopted for the induction and training of trustees

Trustees are invited to attend meetings of each sub-committee in order to gain an understanding of its work. They are provided with copies of documents as recommended in the Academies Financial Handbook such as Charity Commission publications "The Essential Trustee - what you need to know", "Internal Financial Controls for Charities", and "Charities and Risk Management - a guide for trustees".

DESBOROUGH COLLEGE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Organisational structure

The Academy is governed by the Members of the Academy Trust and Board of Trustees as per the Memorandum and Article of Association which are the primary Governing documents of the Academy. The Members of the Academy Trust comprise of:

- Signatories of the Memorandum
- One person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose
- The chairman of the Trustees; and
- Any person appointed under Article 16

Members may appoint up to 11 Trustees. Members and Trustees who were in office 31 August 2018 and served during the period are listed on page 1.

The Board of Trustees is responsible for the strategic management and objectives of Desborough College Academy Trust, including annual budgets, senior staff appointments and making major decisions about the direction of the Academy. The Trustees are responsible for monitoring the performance of the Principal and Senior Leadership Team on a regular basis.

To do this effectively the Board of Trustees has created various sub-committees. Each has clearly defined Terms of Reference, membership and extent of delegated powers devolved to them on behalf of the Board of Trustees:

- Finance and Resources Committee (meets 6 times a year)
- Trust Board Committee (meets 3 times per year)
- The Audit Committee (meets 3 times per year)
- Standards and Pupil Matters Committee (meets 6 times per year)

These committees report to the Board of Trustees which meets 3 times per year; once in each term.

School policies are developed by senior members of the academy staff to reflect both the strategic direction agreed by the Trustees and also statutory requirements. These policies are approved and adopted by the Board of Trustees and implemented as procedures and systems by the Senior Leadership Team and other designated members of staff.

The Principal (Accounting Officer) and Senior Leadership Team are responsible for the day to day running of the School (internal organisation, management and control). The Senior Leadership Team currently comprises of two Vice Principals and two Assistant Principals.

The pastoral welfare for students within the school is led by a Vice Principal and supported by five Heads of Year.

Arrangements for setting pay and remuneration of key management personnel

Members of the Academy's leadership team are paid on the Leadership Pay Scale, as set by the Board of Trustees in accordance with the School teachers' pay and conditions (STPCD). The positions of Principal, Vice Principal and Assistant Principal are allocated Leadership Pay bands. Progression through the pay band is determined by an annual pay review and is carried out at the same time and in the same manner as pay reviews for all teaching staff, by the Pay Review Committee in November.

DESBOROUGH COLLEGE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	1.00

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	1,296
Total pay bill	891,000
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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Related parties and other connected charities and organisations

Desborough College Academy Trust is part of a consortium of schools providing sixth form education, Partner schools are Radley College, Newlands Girls' School, Holyport School, Cox Green School, Altwood CofE School and Furze Platt School.

DESBOROUGH COLLEGE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Objectives and activities

Objects and aims

We believe that educating the character of a young person through outstanding teaching, with the support of parents and the local community, brings success that is life lasting and life changing. We believe that the success of the education we provide is measured not just by outstanding academic outcomes, but also by the success and fulfilment achieved through the breadth of our extra-curricular opportunities, and crucially by the character of the students who graduate from our school.

Desborough College, up to the age of 16, is a boys' school and is characterised by a boy-friendly environment where lessons are typically energetic, challenging and fun; where teachers genuinely enjoy working with boys and understand implicitly what makes them tick; where there is so much going on outside of the classroom that everyone can find something that they can excel at whether that be as a scrum half, jazz saxophonist or chess player. We aspire to provide that educational alchemy which taps into the core strengths of boys: their innate sense of fair play, their sense of humour and their sheer determination to succeed. We deliberately and intentionally nurture key virtues which we believe are essential to enable young people to flourish and thrive: kindness; gratitude; positivity; respect; teamwork; pride; humility; courage; and leadership.

Over recent years these virtues have come to define 'The Desborough Way'. We believe that boys benefit from a "firm but fair" approach; a disciplined environment with clear structures, boundaries and ground rules, with the underlying acknowledgement that boys do occasionally get it wrong-they lose things, procrastinate and occasionally struggle to tuck their shirts in!

At Desborough boys develop life-long friendships- a "band of brothers", relishing the enjoyment of going through school together and being themselves in an all-boys environment, encouraged to find the "best version of themselves".

Desborough College is part of a consortium of schools providing sixth form education. Partner schools are Newlands Girls' School, Holyport School, Cox Green School, Altwood CofE School and Furze Platt School.

We also work in partnership with Radley College, an independent boys school in Abingdon.

The Academy aims to be the school of choice for all boys in the local area.

Objectives, strategies and activities

The Academy Trust commenced operations on the 1 May 2018 to advance for the public benefit the provision of education in the United Kingdom. In doing so it meets the requirements of the Funding Agreement signed by the Secretary of State for Education.

The main priorities of the School Development Plan for the period ended 31 August 2018 were:

- Systematically reduce the deficit and balance the annual school budget
- Improve outcomes in science at KS4
- Fill Desborough College Planned Admissions Number (PAN)
- Develop and embed The Desborough Way
- Improve the effectiveness of summative and formative teaching, learning and assessment techniques
- Improve the effectiveness of questioning techniques to stretch and challenge all learners
- Improve the quality, effectiveness and efficiency of marking and feedback
- Improve the organisation and presentation of student work
- Improve the quality and effectiveness of differentiation – particularly the more able
- Recruit and retain staff that can build and sustain an outstanding school
- Achieve external validation of each Self-Evaluation Form (SEF) judgement
- Deliver a more personalised, impact driven and measurable CPD programme
- Deliver a curriculum, which addresses the demands of 'No More Wasted Years'; 'Life after Levels'; P8 and A8; Ebacc uptake; and new GCSE and A level specifications

DESBOROUGH COLLEGE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

- Introduce a cross curricular approach to skills development
- Eliminate any achievement and progress gaps for vulnerable and disadvantaged learners across all year groups
- Ensure that progress is more effectively supported and evidenced in student work
- Improve the targeted reporting, monitoring and boosting of Attitude to Learning
- Develop learners who are increasingly more independent
- Improve the relevance, impact, assessment and manageability of homework
- Reduce number of exclusions amongst vulnerable learners
- Close the attendance gap for vulnerable and disadvantaged learners
- More explicitly promote British values
- Establish a more discrete behaviour curriculum
- Strengthen the systems and expectations that support improvements in attitude, behaviours and outcomes for 6th form students
- Improve the non-qualification curriculum offer
- Improve the recording and provision of Careers Education, Information and Guidance (CEIAG)

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties. Pupils are admitted in accordance with the admissions policy agreed with the Department for Education (DE). Children are admitted from a wide range of backgrounds. The school has a rich curriculum which aims to deliver good academic progress through a broad range of activities and experiences, offering pupils a chance to demonstrate their full abilities and potential.

Strategic report

Achievements and performance

In the period to 31 August 2018 these were the following notable developments and achievements;

The school achieved its best results on record at both GCSE and Post 16.

For a Year 11 cohort with an APS on entry of 28.84:

- A8 was 4.75 for all against a national average of 4.36; 3.58 for SEN; 3.98 for PP; 5.64 UA; 4.26 MA; 3.23 LA
- 4+ English and Maths 66% (national average for boys = 60.2% in 2018)
- 5+ English and Maths 48% (national average for boys = 39.7% in 2018)
- 4+ English Language 61% (national average for boys = 54%)
- 4+ English Literature 66% (national average for boys = 66%)
- 4+ English 65% (national average for boys = 54.6%)
- 5+ English 51%
- 4+ Maths 83%
- 5+ Maths 66%
- 2 x Science grades 4+ is 68%
- Lower ability band attained 20% 4+ English and Maths; 10% 5+ in English and Maths; 30% 2 x 4+ in Science
- Middle ability band attained 56% 4+ English and Maths; 31% 5+ in English and Maths; 56% 2 x 4+ in Science
- SEN attained 30% 4+ English and Maths; 30% 5+ English and Maths; 40% 2 x 4+ in Science
- 50% of PP 4+ English and Maths; 63% of PP 5+ English and Maths; 62.5% 2 x 4+ in Science
- 22% achieved the standard EBacc (national average for boys in 2017 = 19%)
- 8% achieved the strong EBacc (national average for boys in 2017 = 17%)
- EBacc APS = 4.11 against a national average for boys of 3.79
- 42% entered EBacc against a national average for boys of 32.8%

DESBOROUGH COLLEGE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Key performance indicators

For the period to 31 August 2018 the following Key Performance Indicators are relevant:

- The academy maintains its Ofsted rating so that it is judged at least 'Good' in all areas
- Achievement in the Sixth Form is good
- GCSE results are above national averages for both attainment and progress for boys
- Pupil Premium expenditure has measurable impact at narrowing gaps in achievement between those eligible for the funding and all other pupils.
- The school reaches its PAN of 189
- The school ends the year with a budget surplus.
- The school is fully staffed
- Attendance exceeds 95%

Review

The Trustees are pleased to report the following outcomes in relation to the KPI's:

- The academy did not receive an Ofsted inspection
- The L3VA score was -0.08
- GCSE: Progress was above national average for boys
- Desborough College P8 was -0.18; national P8 for boys -0.27
- Desborough A8: 46.2; national A8 for boys 43.7
- Pupil Premium P8: +0.04; pupil premium A8 45.6
- The school was over-subscribed
- The school ended the year with a budget surplus of £442,000 on restricted general and unrestricted funds.
- Attendance exceeded 95%
- The school is fully staffed

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the Board of Trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

DESBOROUGH COLLEGE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Financial review

The Academy's principal source of income is grant funding from the Department for Education (DfE) which is designated on an annual basis and the use of which is restricted, This includes the General Annual Grant (GAG), Pupil Premium and 16-19 Funding. In addition, the Local Authority continues to manage the Special Education Needs and Disability (SEND) Funding.

The Academy also receives grants for fixed assets from the ESFA/DfE. In accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice, 'Accounting Activities by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

In addition, funds are received from various activities carried out to generate funds, such as any running costs of the Academy not met by restricted grants. Any surplus is carried forward as an unrestricted fund in the balance sheet.

Total income for the period was £16,126,000 (which includes the value of assets and liabilities transferred in from The Education Fellowship Trust). Total recurring income (excluding transfers in and fixed asset funding) was £1,823,000.

Total expenditure for the period was £1,543,000 which includes depreciation and the actuarial costs associated with the LGPS pension scheme. Total recurring expenditure (excluding depreciation and actuarial costs) was £1,381,000.

As a result of the above there was a surplus on unrestricted and restricted general funds of £442,000 to transfer to reserves.

Net assets (excluding the pension liability of £1,420,000) as at 31 August 2018 were £16,461,000 of which £15,891,000 related to land and buildings.

Reserves policy

1) Maintaining an appropriate level of financial reserves is considered essential in protecting the school from financial risk generated by, for example;

- income reduction due to Government funding changes
- unexpected falls in student numbers
- cash flow issues due to delays in receipt of funding
- emergencies

2) Trustees will monitor levels of reserves in financial reports provided by the School Business Manager and in the annual financial statement prepared by the Auditor. Trustees will look to ensure that a prudent level of reserves is maintained, bearing in mind the recurrent spending needs to ensure high quality provision. In deciding the level of reserves Trustees will take into account the following:

- one month salary bill
- the school's annual budget
- the need for any large project spend such as facilities development or building condition needs
- any uncertainty, turbulence or expected reduction in funding arrangements, including the level of transitional protection within the school funding and its expiry date
- anticipated funding over the next three years.

DESBOROUGH COLLEGE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Investment policy

The school's Investment Policy is based upon the Academies Financial Handbook and guidance from The Charity Commission. The policy also complies with our Funding Agreement and Articles of Association.

The policy aims to ensure that:-

- The academy trust's funds are used only in accordance with the law, its articles of association, its funding agreement and the Academies Financial Handbook
- The trust's funds are used in a way that commands broad public support
- Value for money (economy, efficiency and effectiveness) is achieved
- Trustees fulfil their duties and responsibilities as charitable trustees and company directors

Principal risks and uncertainties

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy Trust, and its finances. The Trustees have implemented a number of systems to assess risks that the Academy Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and Academy trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimize risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The Trustees regularly review the risks faced by the Academy Trust and have completed a "Risk Map" to identify the critical areas of concern. As far as possible the Trustees have put in place management controls to minimise/mitigate risks.

The Trustees consider the following items are the principal risks facing the Trust:

- Falling rolls
- Inability to appoint top quality teaching staff
- An Ofsted judgement that is not at least Good

Fundraising

- All fund raising is used to improve learning outcomes for pupils in line with the School Development Plan.
- We do not accept funding from organisations or businesses that go against our school's core values.
- We do not work with any commercial participators or professional fund raisers.
- Our fund raising is not intrusive and we do not place people or organisations under undue pressure to donate.
- We do not ask parents to donate money towards fund raising projects.
- We do accept donations from individual donors as long as the donations do not come with conditions or expectations we are not happy to uphold.
- Funds raised are kept in the same account as the main school funds and income and expenditure are reported to the Trustees and Principal at the Finance and Resources Committee meetings.
- We have received no complaints in respect of our fund raising activities. In the event of any being received there would be referred to the Trustees' Finance Committee.

DESBOROUGH COLLEGE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Plans for future periods

- Further embed the teaching fundamentals and character virtues of The Desborough Way
- Improve outcomes in IT/Computer Science, Business Studies, English and MFL
- Improve 6th form outcomes
- Further improve outcomes for more able students
- Remain oversubscribed
- Continue to recruit and retain staff that can build and sustain an outstanding school
- Improve the recording and provision of CEIAG with a focus on Science, Technology and Maths (STEM)
- Improve the speed and reliability of the ICT infrastructure and network, including the delivery of Wi-Fi across the whole site
- Improve the condition, presentation and functionality of the school site

Auditor

In so far as the trustees are aware:

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

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

Nigel Cook
Chair

DESBOROUGH COLLEGE ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2018

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the 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 Desborough College Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met once during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Saghir Ahmed	1	1
Sarah Brazenor	1	1
Deibo Bowry (Resigned 16 November 2018)	1	1
Margaret Brown (Vice Chair)	1	1
Nigel Cook (Chair)	1	1
Paul Cook	0	1
Colin Cox (Resigned 26 November 2018)	1	1
Paresh Patel	1	1
Zarqa Raja-Asqhar (Appointed 20 July 2018)	0	0
Andrew Reekes	1	1
John Sparks	1	1
Vaughan Chadwick (Resigned 16 August 2018)	1	1
Derek Wilson	0	1

Governance reviews

The Academy continues to actively encourage the appointment of Governors with essential skills.

The Board is consistently monitoring its own standards of governance to identify any areas of weakness.

Plans would be implemented to improve such areas if they were identified. A review will be carried out in the year ended 31 August 2019.

Finance and Resources & Audit Committee

The finance and resources committee and the audit committee are sub-committees of the main Board of Trustees. Their purpose is to assist the decision making of the Board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees' responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity.

DESBOROUGH COLLEGE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Attendance at Finance and Resources meetings in the period was as follows:

Trustees	Meetings attended	Out of possible
Saghir Ahmed	2	2
Deibo Bowry (Resigned 16 November 2018)	2	2
Nigel Cook (Chair)	2	2
Colin Cox (Resigned 26 November 2018)	2	2
Paresh Patel	2	2
Zarqa Raja-Asqhar (Appointed 20 July 2018)	0	0
John Sparks	1	2
Vaughan Chadwick (Resigned 16 August 2018)	2	2
Derek Wilson	2	2

Attendance at Audit Committee meetings in the period was as follows:

Trustees	Meetings attended	Out of possible
Saghir Ahmed	0	0
Deibo Bowry (Resigned 16 November 2018)	0	1
Nigel Cook (Chair)	1	1
Colin Cox (Resigned 26 November 2018)	1	1
Paresh Patel	1	1
Zarqa Raja-Asqhar (Appointed 20 July 2018)	0	0
John Sparks	0	0
Vaughan Chadwick (Resigned 16 August 2018)	1	1
Derek Wilson	1	1

Review of value for money

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

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

- outsourcing catering to an external provider with a generated return
- undertaking a review of utility contracts to be renewed and benchmarked against other providers
- cessation of cleaners transport to create future savings

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 academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Desborough College Academy Trust for the period 1 May 2018 to 31 August 2018 and up to the date of approval of the annual report and accounts.

DESBOROUGH COLLEGE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Capacity to handle risk

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

The risk and control framework

The academy 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 and resources committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed Smith, Hodge & Baxter, the external auditor, to perform additional checks.

The role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis the Audit Committee reports to the board of Trustees on the operation of the system of control and on the discharge of the board of Trustees' financial responsibilities. During the period ended 31 August 2018 the audit committee used the quarterly checks performed by the external auditors, Smith Hodge & Baxter, to assist its reporting. There were no significant issues identified and other findings have been addressed as part of usual governing body business.

Review of effectiveness

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work noted above;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

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

Nigel Cook
Chair

DESBOROUGH COLLEGE ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE PERIOD ENDED 31 AUGUST 2018

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

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

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

Paul Frazer
Accounting Officer

17 December 2018

DESBOROUGH COLLEGE ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE PERIOD ENDED 31 AUGUST 2018

The trustees (who are also the directors of Desborough College Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

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

Nigel Cook
Chair

DESBOROUGH COLLEGE ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DESBOROUGH COLLEGE ACADEMY TRUST

FOR THE PERIOD ENDED 31 AUGUST 2018

Opinion

We have audited the accounts of Desborough College Academy Trust for the period ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- 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 period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

DESBOROUGH COLLEGE ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DESBOROUGH COLLEGE ACADEMY TRUST (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial period for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have 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 academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

- 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 accounts 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 are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

DESBOROUGH COLLEGE ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DESBOROUGH COLLEGE ACADEMY TRUST (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 Paul Tyler (Senior Statutory Auditor)
for and on behalf of Smith Hodge & Baxter Audit Services

19 December 2018

Statutory Auditor

Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL

DESBOROUGH COLLEGE ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DESBOROUGH COLLEGE ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE PERIOD ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 24 July 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Desborough College Academy Trust during the period 1 May 2018 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 Desborough College Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Desborough College Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Desborough College Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Desborough College Academy Trust's accounting officer and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 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 May 2018 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 ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Assessment of the internal audit work undertaken and reliance placed upon this work for the review of internal control procedures
- Further testing of the internal control procedures has been carried out in the following areas:
 - Sample test of delegated authority procedures
 - Enquiry and review of transactions with connected persons
 - Review of governance procedures including inspection of trustee and relevant board minutes
 - Sample test of procurement procedures
- Communication with the Accounting Officer

DESBOROUGH COLLEGE ACADEMY TRUST

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

FOR THE PERIOD ENDED 31 AUGUST 2018

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 May 2018 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.

Reporting Accountant

Smith Hodge & Baxter Audit Services
Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL

Dated: 19 December 2018

DESBOROUGH COLLEGE ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total 2018 £'000s
Income and endowments from:					
Donations and capital grants	3	63	-	151	214
Donations - Transfer of existing academy into the trust	22	-	(1,468)	15,975	14,507
Charitable activities:					
- Funding for educational operations	4	-	1,694	-	1,694
Other trading activities	5	66	-	-	66
Total		<u>129</u>	<u>226</u>	<u>16,126</u>	<u>16,481</u>
Expenditure on:					
Charitable activities:					
- Educational operations	7	6	1,430	107	1,543
Total	6	<u>6</u>	<u>1,430</u>	<u>107</u>	<u>1,543</u>
Net income/(expenditure)		123	(1,204)	16,019	14,938
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	16	-	103	-	103
Net movement in funds		123	(1,101)	16,019	15,041
Reconciliation of funds					
Total funds brought forward		-	-	-	-
Total funds carried forward		<u>123</u>	<u>(1,101)</u>	<u>16,019</u>	<u>15,041</u>

DESBOROUGH COLLEGE ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

		2018	
	Notes	£'000s	£'000s
Fixed assets			
Tangible assets	11		15,891
Current assets			
Debtors	12	92	
Cash at bank and in hand		658	
		<u>750</u>	
Current liabilities			
Creditors: amounts falling due within one year	13	(180)	
		<u>570</u>	
Net current assets			570
Net assets excluding pension liability			<u>16,461</u>
Defined benefit pension scheme liability	16		(1,420)
			<u>15,041</u>
Net assets			<u><u>15,041</u></u>
Funds of the academy trust:			
Restricted funds	14		
- Fixed asset funds			16,019
- Restricted income funds			319
- Pension reserve			(1,420)
			<u>14,918</u>
Total restricted funds			14,918
Unrestricted income funds	14		123
			<u>15,041</u>
Total funds			<u><u>15,041</u></u>

The accounts on pages 22 to 41 were approved by the trustees and authorised for issue on 17 December 2018 and are signed on their behalf by:

Nigel Cook
Chair

Company Number 11281798

DESBOROUGH COLLEGE ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 AUGUST 2018

	Notes	2018 £'000s	£'000s
Cash flows from operating activities			
Net cash provided by operating activities	17		530
Cash flows from investing activities			
Capital grants from DfE Group		151	
Purchase of tangible fixed assets		(23)	
Net cash provided by/(used in) investing activities			128
Net increase in cash and cash equivalents in the reporting period			658
Cash and cash equivalents at beginning of the year			-
Cash and cash equivalents at end of the year			658

DESBOROUGH COLLEGE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2018

1 Accounting policies

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

1.1 Basis of preparation

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

Desborough College Academy Trust meets the definition of a public benefit entity under FRS 102 and is a private charitable company, limited by guarantee and registered in England and Wales. The company's registered number and registered office address can be found on pages 1 to 2 of these financial statements.

The presentation currency of the financial statements is the pound sterling (£'000).

These accounts have been prepared for the period 1 May 2018 to 31 August 2018 which is a period of less than twelve months. Academy trusts are required by the Education Funding Agency to report annually to 31 August and the academy trust is not permitted under the Companies Act 2006 to extend its accounting reference date to more than eighteen months but it may shorten it.

1.2 Going concern

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

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period 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.

DESBOROUGH COLLEGE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

Transfer of assets from existing academies

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. Income equal to the net assets transferred is recognised within donations and capital grant income.

1.4 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

DESBOROUGH COLLEGE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Land and buildings	2% of cost
Computer equipment	20% of cost

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

1.6 Liabilities

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

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

DESBOROUGH COLLEGE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.9 Taxation

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

1.10 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes 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 projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

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

1.11 Fund accounting

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

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

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

Restricted pension reserve funds represent the Academy Trust's share of the assets and liabilities of the Local Government Pension Scheme.

DESBOROUGH COLLEGE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 16, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2018 £'000s
Capital grants	-	151	151
Other donations	63	-	63
	<u>63</u>	<u>151</u>	<u>214</u>

The income from donations and capital grants was £214,000 of which £63,000 was unrestricted and £151,000 restricted fixed asset funds.

DESBOROUGH COLLEGE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2018 £'000s
DfE / ESFA grants			
General annual grant (GAG)	-	1,597	1,597
Other DfE group grants	-	72	72
	<u>-</u>	<u>1,669</u>	<u>1,669</u>
Other government grants			
Other Government Grants	-	25	25
	<u>-</u>	<u>25</u>	<u>25</u>
Total funding	<u>-</u>	<u>1,694</u>	<u>1,694</u>

The income from funding for the Academy Trust's educational operations was £1,694,000 of which £nil was unrestricted and £1,694,000 was restricted.

5 Other trading activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2018 £'000s
Hire of facilities	8	-	8
Other income	58	-	58
	<u>66</u>	<u>-</u>	<u>66</u>

The income from other trading activities was £92,000 of which £92,000 was unrestricted and £Nil was restricted.

6 Expenditure

	Staff costs £'000s	Non Pay Expenditure		Total 2018 £'000s
		Premises £'000s	Other £'000s	
Academy's educational operations				
- Direct costs	988	107	44	1,139
- Allocated support costs	217	112	75	404
	<u>1,205</u>	<u>219</u>	<u>119</u>	<u>1,543</u>

DESBOROUGH COLLEGE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

6 Expenditure (Continued)

Net income/(expenditure) for the period includes: **2018**
£'000s

Fees payable to auditor for:

- Audit 9

- Other services 1

Depreciation of tangible fixed assets 107

Net interest on defined benefit pension liability 14

7 Charitable activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2018 £'000s
Direct costs			
Educational operations	-	1,139	1,139
Support costs			
Educational operations	6	398	404
	<u>6</u>	<u>1,537</u>	<u>1,543</u>
	<u><u>6</u></u>	<u><u>1,537</u></u>	<u><u>1,543</u></u>

The expenditure on educational operations was £1,533,000 of which £6,000 was unrestricted, £1,420,000 was restricted and £107,000 was restricted fixed assets.

	2018 £'000s
Analysis of support costs	
Support staff costs	217
Premises costs	112
Other support costs	63
Governance costs	12
	<u>404</u>
	<u><u>404</u></u>

DESBOROUGH COLLEGE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

8 Staff

Staff costs

Staff costs during the period were:

	2018
	£'000s
Wages and salaries	891
Social security costs	78
Pension costs	175
	<hr/>
Staff costs	1,144
Agency staff costs	61
	<hr/>
Total staff expenditure	1,205
	<hr/> <hr/>

Staff numbers

The average number of persons employed by the academy trust during the period was as follows:

	2018
	Number
Teachers	44
Administration and support	53
Management	9
	<hr/>
	106
	<hr/> <hr/>

Higher paid staff

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

	2018
	Number
£60,000 - £70,000	1
£70,001 - £80,000	1
£100,001 - £110,000	1
	<hr/> <hr/>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employers national insurance contributions) received by key management personnel for their services to the academy trust was £215,000.

DESBOROUGH COLLEGE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

9 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an 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, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

Mr J Sparks (Vice Principal and Trustee)

- Remuneration £5,000-£10,000
- Employers' pension contributions £0- £5,000

During the year ended 31 August 2018 travel expenses totalling £34 were reimbursed or paid directly to 1 Trustee.

Other related party transactions involving the Trustees are set out in note 20.

10 Trustees and officers insurance

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protect 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.

11 Tangible fixed assets

	Land and buildings £'000s	Computer equipment £'000s	Total £'000s
Cost			
At 1 May 2018	-	-	-
Additions	15,975	23	15,998
At 31 August 2018	15,975	23	15,998
Depreciation			
At 1 May 2018	-	-	-
Charge for the period	106	1	107
At 31 August 2018	106	1	107
Net book value			
At 31 August 2018	15,869	22	15,891

The net book value of land and buildings comprises:

	2018 £'000s
Long leaseholds (over 50 years)	15,869

DESBOROUGH COLLEGE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

12 Debtors				2018 £'000s
VAT recoverable				51
Prepayments and accrued income				41
				<u>92</u>
				<u><u>92</u></u>
13 Creditors: amounts falling due within one year				2018 £'000s
Trade creditors				84
Other taxation and social security				68
Accruals and deferred income				28
				<u>180</u>
				<u><u>180</u></u>
14 Funds	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2018 £'000s
Restricted general funds				
General Annual Grant (GAG)	1,597	(1,278)	-	319
Other DfE / ESFA grants	72	(72)	-	-
Other government grants	25	(25)	-	-
Pension reserve	(1,468)	(55)	103	(1,420)
	<u>226</u>	<u>(1,430)</u>	<u>103</u>	<u>(1,101)</u>
	<u><u>226</u></u>	<u><u>(1,430)</u></u>	<u><u>103</u></u>	<u><u>(1,101)</u></u>
Restricted fixed asset funds				
Transfer on conversion	15,975	(106)	-	15,869
DfE group capital grants	151	(1)	-	150
	<u>16,126</u>	<u>(107)</u>	<u>-</u>	<u>16,019</u>
	<u><u>16,126</u></u>	<u><u>(107)</u></u>	<u><u>-</u></u>	<u><u>16,019</u></u>
Total restricted funds	<u><u>16,352</u></u>	<u><u>(1,537)</u></u>	<u><u>103</u></u>	<u><u>14,918</u></u>
Unrestricted funds				
General funds	<u>129</u>	<u>(6)</u>	<u>-</u>	<u>123</u>
	<u><u>129</u></u>	<u><u>(6)</u></u>	<u><u>-</u></u>	<u><u>123</u></u>
Total funds	<u><u>16,481</u></u>	<u><u>(1,543)</u></u>	<u><u>103</u></u>	<u><u>15,041</u></u>

DESBOROUGH COLLEGE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

14 Funds

(Continued)

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

Restricted General Funds represent unspent General Annual Grant (GAG), which must be used for the normal recurring costs of the Academy together with other restricted general funds.

Under the funding agreement with the Secretary of State the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Restricted Fixed Asset Funds represent resources which have been applied to specific capital purposes imposed by the funder together with cash resources still to be expended.

Restricted Pension Reserve Funds represent the Academy Trust's share of the assets and liabilities of the Local Government Pension Scheme.

15 Analysis of net assets between funds

	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total Funds £'000s
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	15,891	15,891
Current assets	123	499	128	750
Creditors falling due within one year	-	(180)	-	(180)
Defined benefit pension liability	-	(1,420)	-	(1,420)
Total net assets	123	(1,101)	16,019	15,041

16 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

DESBOROUGH COLLEGE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

16 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £91,203.

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18.6% for employers and 5.5 to 12.5% for employees.

The LGPS obligation relates to the employees of the academy trust who were employees transferred as part of the transfer agreement when the school joined trust (as described in note 22) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

DESBOROUGH COLLEGE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

16 Pension and similar obligations (Continued)

Total contributions made	2018 £'000s
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Employer's contributions	33
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Employees' contributions	12
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Total contributions	<u>45</u>
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Principal actuarial assumptions	2018 %
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Rate of increase in salaries	3.8
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Rate of increase for pensions in payment/inflation	2.3
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Discount rate for scheme liabilities	2.65
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Inflation assumption (CPI)	2.3
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Commutation of pensions to lump sums	<u>50%</u>
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The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2018 Years
--	---------------

Retiring today	
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- Males	23.1
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- Females	25.2
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Retiring in 20 years	
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- Males	25.3
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- Females	<u>27.5</u>
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Scheme liabilities would have been affected by changes in assumptions as follows:

	2018
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Discount rate + 0.1%	190
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Discount rate - 0.1%	(190)
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Mortality assumption + 1 year	201
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Mortality assumption - 1 year	(201)
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CPI rate + 0.1%	200
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CPI rate - 0.1%	<u>(200)</u>
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DESBOROUGH COLLEGE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2018

16 Pension and similar obligations	(Continued)
The academy trust's share of the assets in the scheme	
	2018 Fair value £'000s
Equities	499
Other bonds	160
Cash	158
Property	146
Other assets	102
	<hr/>
Total market value of assets	1,065
	<hr/> <hr/>
 The actual return on scheme assets was £14,000 (: £-).	
Amount recognised in the Statement of Financial Activities	
	2018 £'000s
Current service cost	74
Interest income	(8)
Interest cost	22
	<hr/>
Total operating charge	88
	<hr/> <hr/>
Changes in the present value of defined benefit obligations	
	2018 £'000s
Transferred in on existing academies joining the academy trust	2,487
Current service cost	74
Interest cost	22
Employee contributions	12
Actuarial gain	(97)
Benefits paid	(13)
	<hr/>
At 31 August 2018	2,485
	<hr/> <hr/>

DESBOROUGH COLLEGE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

16 Pension and similar obligations (Continued)

Changes in the fair value of the academy trust's share of scheme assets

	2018 £'000s
Transferred in on existing academies joining the academy trust	1,019
Interest income	8
Actuarial gain	6
Employer contributions	33
Employee contributions	12
Benefits paid	(13)
	<hr/>
At 31 August 2018	1,065
	<hr/> <hr/>

17 Reconciliation of net income to net cash flow from operating activities

	2018 £'000s
Net income for the reporting period (as per the Statement of Financial Activities)	14,938
Adjusted for:	
Net surplus on conversion to academy	(14,507)
Capital grants from DfE/ESFA and other capital income	(151)
Defined benefit pension costs less contributions payable	41
Defined benefit pension net finance cost	14
Depreciation of tangible fixed assets	107
(Increase) in debtors	(92)
Increase in creditors	180
	<hr/>
Net cash provided by operating activities	530
	<hr/> <hr/>

18 Contingent liabilities

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

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

- the value at that time of the Academy site and premises and other assets held for the purpose of the Academy Trust; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

DESBOROUGH COLLEGE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

19 Commitments under operating leases

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

	2018 £'000s
Amounts due within one year	6
Amounts due in two and five years	10
	<hr/>
	16
	<hr/> <hr/>

20 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

During the year a Trustees provided their services to assist in the finance/business management area due to a short term recruitment/resource issue. The amount paid to this Trustee (£17,800) was based on an equivalent employee salary and provided flexibility for the Trust during a period of change. Since the year end the Trustee has resigned and the Trust has taken further measures to fill this role with a permanent employee.

No other related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 9.

21 Members' liability

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

22 Transfer of existing academies into the academy trust

On 1st May 2018 Desborough College transferred into the Trust from The Education Fellowship Trust. All the operations and assets and liabilities were transferred to Desborough College Academy Trust from the The Education Fellowship Trust for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer of existing academy into the trust.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

DESBOROUGH COLLEGE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

22 Transfer of existing academies into the academy trust

(Continued)

Net assets transferred:	2018 £'000s
Leasehold land and buildings	15,975
LGPS pension surplus/(deficit)	(1,468)
	<u>14,507</u>

Funds surplus/(deficit) transferred:	Unrestricted	Restricted funds:		Total 2018 £'000s
	Funds £'000s	General £'000s	Fixed asset £'000s	
Fixed assets funds	-	-	15,975	15,975
LGPS pension funds	-	(1,468)	-	(1,468)
	<u>-</u>	<u>(1,468)</u>	<u>15,975</u>	<u>14,507</u>

	Value reported by transferring trust £'000s	Fair value adjustments £'000s	Transfer in recognised £'000s
Tangible fixed assets			
• Leasehold land and buildings	15,975	-	15,975
Pensions			
• Pensions – pension scheme assets	1,019	-	1,019
• Pensions – pension scheme liabilities	(2,487)	-	(2,487)
Net assets	14,507	-	14,507