

# **Suffolk Academies Trust**

**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**Year ended 31 August 2019**

**Company Registration Number:**

**9702333 (England and Wales)**

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**Reference and Administrative Details**

Members	R Carter (Chair) K Golding N Wingfield-Digby M Wagner (Appointed 29/03/2019) J Bloomfield (Appointed 29/03/2019)
Trustees	E D'Souza (Chair) C Higgins (Chief Executive Officer) N Savvas C Ridgeon J Wakelam S Howard R Inman J Gazzard (Appointed 1 September 2018) K Points (Appointed 1 September 2018) S Daley (Appointed 1 September 2018) S Clarke (Appointed 1 September 2018) A Maltpress (Appointed 1 September 2018) T Hunt (Appointed 1 September 2018) (Resigned 20/12/2018) D Wildridge (Appointed 1 September 2018) S Healey Pearce (Appointed 1 September 2018)
Trust Secretary	J Bridges
Senior Executive Team	
<ul style="list-style-type: none"> <li>• Chief Executive Officer</li> <li>• Chief Financial Officer</li> <li>• Clerk</li> <li>• Principal One</li> <li>• Principal One (part year)</li> <li>• Principal designate (Abbeygate)</li> </ul>	<ul style="list-style-type: none"> <li>N Savvas</li> <li>S Jones</li> <li>J Bridges</li> <li>J Milsom</li> <li>A Whittaker</li> <li>D Gartland</li> </ul>
Company Name	Suffolk Academies Trust
Principal and Registered Office	Out Risbygate Bury St Edmunds Suffolk IP33 3RL
Company Registration Number	09702333 (England and Wales)
Independent Auditor	Larking Gowen LLP Kings Street House 15 Upper King Street Norwich NR3 1RB
Bankers	Lloyds Bank plc 25 Gresham Street London EC2V 7HN
Solicitors	Browne Jacobson LLP 15 <sup>th</sup> Floor 6 Bevis Marks London EC3A 7BA

## **Trustees' Report**

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period ended 31 August 2019. The charitable company was incorporated on 24 July 2015 and opened as a Multi Academy Trust on 1 September 2015. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Suffolk Academies Trust (the Trust) is a multi-academy trust for the purposes of its funding agreement but in the reporting period only had one academy within it; One Sixth Form College, which is a post 16 academy located in Ipswich, Suffolk. Its catchment area is predominantly Ipswich and the rural areas to the South and West of Ipswich but does attract students from many areas of the County. One Sixth Form College has student numbers of approximately 2,000 but has comfortable capacity for 2,200. Prior to academisation, it was known as Suffolk One and was a foundation school that opened in 2010. The Trust is preparing for the addition of the Abbeygate Sixth Form College in Bury St Edmunds, Suffolk to the Trust in September 2019. This will be a newly built free school which will grow in numbers over a five-year period and its estimated capacity will be 1,700 students. For its first year, Abbeygate Sixth Form College and its new Year 12 students, due to build delays will be temporarily accommodated in the Gateway building of West Suffolk College.

## **Structure, Governance and Management**

### **Constitution**

Suffolk Academies Trust is a company limited by guarantee and an exempt charity. The charitable company's Articles of Association are the primary governing documents of the Trust. Revised Articles were approved by the ESFA on 05/11/2018. The objects of the Trust within the Articles are to advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a curriculum appropriate to the needs of its students for 16-19 Academies.

The Trustees of Suffolk Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Suffolk Academies Trust and its only academy, in the reporting period, is known locally as One Sixth Form College.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 3.

### **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.

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

The recruitment and appointment of Trustees is the responsibility of the Members of Suffolk Academies Trust. The members are as follows:

Richard Carter, Chair  
Ken Golding  
Nicholas Wingfield-Digby  
Martyn Wagner (appointed 29/03/2019)  
Jan Bloomfield (appointed 29/03/2019)

The members may appoint up to 9 Trustees and additional Trustees can be appointed by West Suffolk College through such process as it may determine. The total number of Trustees including the Chief Executive Officer who are employees of the Trust shall not exceed one third of the total number of Trustees. Provision for at least 2 Parent Local Governors is established on the Local Governing Body pursuant to Article 101A of the Articles of Association.

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

Trustee induction and training is determined by a skills audit and annual self-evaluation tools. The skills audit helps the Trust to identify and assess the skills required in the future, understand the skills the Board of Trustees has, who has them and identify what may be missing. Skills gaps inform the personal and collective development needs of Trustees and the Board together with the Annual Self Evaluation tool of Board Effectiveness, used to inform the training and development strategy for the Trust.

### Organisational Structure

The Trust is overseen by the Board of Trustees which has sub-committees comprising Finance, Audit and Related Party Transactions. In addition, the academy, One Sixth Form College, has a Local Governing Body which is accountable to the Board of Trustees and has responsibility and oversight for the standards of teaching and learning, the standard and quality of education provided, student outcomes, and how and when performance is to be reviewed, scrutinised and monitored. In line with sector expectations, the Chief Executive of the Trust is the appointed Accounting Officer and along with the designated Chief Financial Officer role and the Trust Secretary, these are supplied at cost to the Trust by West Suffolk College.

A scheme of delegation showing the decisions that must be approved by the Trust board and those which can either be approved or co-authorised by the Executive is produced and approved annually by the Trust board.

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

Neither the Trustees nor the Governors of the Local Governing Body receive remuneration for their roles. Of the academy senior leadership team, remuneration is reflected in their contract of employment and any progression or cost of living increases must be approved via the Trust policy which is approved by the Trust Board. The Chief Executive Officer (Accounting Officer), Chief Financial Officer and the Trust Secretary are not remunerated by the Trust and instead payment is made direct to West Suffolk College for these services through an approved Service Level Agreement. Any changes in charges to the Trust for these services as a result of pay changes to the individuals employed by West Suffolk College would have to be approved by a modified Service Level Agreement which would be considered by the Related Party Transactions Committee (which comprises of 3 Trustees who are not conflicted by other roles held at related parties) prior to approval by the Trust Board.

### Trade Union Facility Time

#### Relevant Union Officials

Number of employees who were relevant Union Officials during the relevant period	Full Time Equivalent Employee Number
1	1

#### Percentage of Time Spent on Facility Time

Percentage of Time	Number of Employees
0%	1
1%-50%	
51%-99%	
100%	

#### Percentage of pay bill spent on Facility Time

Total cost of Facility Time	Nil
Total Pay Bill	£7,182,553
Percentage of the total pay bill spent on Facility Time, calculated as: $(\text{total cost of Facility Time} + \text{Total Pay Bill}) \times 100$	Nil

#### Paid Trade Union Activities

Time spent on paid Trade Union activities as a percentage of total paid Facility Time hours calculated as: $(\text{total hours spent on paid Trade Union activities by relevant Union Officials during the relevant period} + \text{total paid Facility Time hours}) \times 100$	Nil
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### Related Parties and other Connected Charities and Organisations

One of the five members of Suffolk Academies Trust, in the accounting year, was a Governor of the Corporation of West Suffolk College until December 2018. West Suffolk College owns the freehold of the site that One Sixth Form College is located on and this property was leased to the Trust for 125 years commencing 1 September 2015. The Principal and CEO, Vice Principal Finance and Resources and the Clerk to the Corporation and College Secretary of West Suffolk College provide the services of Chief Executive/Accounting Officer, Chief Financial Officer and the Trust Secretary respectively to the Trust. These services are charged for via a Service Level Agreement approved by both parties and any other charges between West Suffolk College and the Trust are in line with the requirements of related party transactions as set out in the Academies Financial Handbook. With the exception of three Trustees (non-conflicted), all other Trustees are also Governors of the Corporation of West Suffolk College.

**Objectives and Activities**

The purpose of Suffolk Academies Trust is to provide outstanding quality post 16 education. Currently this is delivered by One Sixth Form College, which is located in Ipswich, Suffolk and serves the local area and the more immediate rural areas around Ipswich. With effect from 1 September 2019 this provision will be supplemented in the west of Suffolk by the new academy, Abbeygate Sixth Form College.

**One Sixth Form College Strategic Aims and Objectives****Outstanding achievement and excellence for all:-**

- a tradition of outstanding achievement
- a professional environment which encourages and embraces challenge
- students achieve and exceed their initial aspirations
- a learning environment enhanced by vibrant commercial engagement

**Excellent personal development opportunities for everyone:-**

- outstanding learning and development opportunities for all
- students and staff take responsibility and pride for their personal development
- students and staff enjoy and achieve their very best
- a culture of success and celebration

**Exceptional progression opportunities:-**

- All students enjoy first class input from the world of business, commerce and higher education.
- Students are able to make informed choices as a result of high quality advice and guidance.
- All courses demonstrate clear progression opportunities.

**Priorities for 2018/19 & beyond**

One is rapidly heading towards the achievement of its initial goals and all aspects of our strategy will be based on the further improvement of student attainment and success and their participation and progression.

We also need to begin to plan, in collaboration with others, how we continue to maintain, develop and improve the quality of our provision whilst ensuring we carry on meeting the demands of those young people who consider One to be their first choice for post 16 education.

**Strategic areas of development will include:-**

- To operate at full capacity whilst maintaining a balanced curriculum offer and supporting our staff in delivering outstanding outcomes for the college community.
- Maintain a financially sustainable provision in the ever-changing context of national funding decisions and a challenging economic environment.
- Enhancing existing specialist 16-19 and 19-25 provision by supporting Suffolk CC to develop provision to meet the specific needs of particular students.
- Developing One as a centre for professional development with a particular focus on teacher training and inset around information, advice and guidance for young people. This will help to improve their transition and progression from 16+ onwards and, into H.E and employment.
- Support the planning and development of Abbeygate Sixth Form College, in Bury St Edmunds, for opening in September 2019. Suffolk Academies Trust (SAT) have been given approval to open this new provision based on the knowledge and experience at One.

**Public Benefit**

The Trustees have complied with their duty to have due regard to exercising their powers to ensure that the Trust is for the advancement of education. The existence of Local Governing Bodies further strengthens the ability of the Trust to meet the needs of the local community. The leisure facilities at One Sixth Form College are made available for community use.

## Strategic Report

### Context, Student Population Achievements and Performance

One Sixth Form College is 'Outstanding' (Ofsted), and was awarded the accolade of the BTEC College of the Year 2018 and in 2019 one of its teachers won the Pearson FE Teacher of the year Silver Award. There were also 5 other teachers and one member of the student support team who won commendations. One Sixth Form College is an inclusive College offering courses at Levels 4, 3, 2 and Foundation Learning, with 90% of students on Level 3 or 4 programmes, in 2018/19 the student roll was 2,016 with its student population split as follows:

Qualification type	% of Student population
A Level	40.07%
Level 3 Vocational	31.95%
Mixed – (A Level and Level 3 Vocational)	17.28%
Level 4 (Foundation Art)	1.74%
Level 2 & Foundation Learning	8.96%

### Outcomes for Students & Value Added

One Sixth Form College has been in the top 10% of Schools and Colleges nationally for the past 6 years. Student outcomes in 2018/19 were excellent with some stellar performances in A Level Maths, Further Maths, Biology and many other facilitating subjects, along with exceptional performance in all vocational courses at Level 3 and Level 2.

- A Level 75.0% A\*-C grades
- A Level 98.8% A\* - E grades
- BTEC L3 courses 100% D\*D\*D\*-PPP (D=Distinction, P=Pass)
- Overall all level 2 courses surpassed the national average at D\*D\*- D
- Foundation Learning programmes achieved 93.8% Pass
- A Level: Value Added - Grade 3 (Excellent) (ALPS – Advanced Level Performance System using the national database and recognised by the DfE & Ofsted)
- BTEC: Grade 3 (Excellent) (ALPS – Advanced Level Performance System using the national database and recognised by the DfE & Ofsted)

### Attendance & Retention

Attendance was 92.3% which was a 0.5% decrease on the previous year. Retention was 96.2% which was a 0.2% improvement on the previous year and exceeded benchmarks for Sixth Form Colleges and General Further Education Colleges.

### Progression/Destinations

This year 57% of Year 13 students secured university places compared to 62% in 2018. Of these, 44% progressed to Russell Group (Higher Tariff) universities compared to 48% in 2018. We have seen 28% of students choose the employment/apprenticeship route compared to 33% in 2018. Compared to last year, the same number of students have chosen to take a gap year at 3%. For students who are NEET, the figure is currently 4% and this includes those students who have yet to confirm their destination.

## Enrichment

### The Arts

The past academic year has been another year of hard work, fun and excitement, the College performance of *Chicago* was simply superb with the parts of 'Velma' and 'Roxy' executed to such a professional level you would have been forgiven for thinking you were in fact in the West End. We were indeed entertained throughout the year with a variety of concerts, dance performances and the *Roscars* (the Media and Film awards).

Students from the visual arts excelled, with 2 students having their art professionally exhibited in two London galleries and featured in the Arts Society magazine with the second annual Creative Industries Day being a great success with a variety of employers and HEIs visiting to showcase opportunities for the next generation. Strong links continue with Media bodies such as the British Film Institute, Screen Suffolk, Global and Ipswich Community Media. Music Technology students recorded with the Royal Philharmonic Orchestra and the University of Suffolk (UoS) in May 2019 and three students completed the Pro Tools 101 course with UoS degree students.

One Sixth Form College hosted the launch of the Ipswich Local Education and Cultural Partnership in March 2019 which was captured on video by BTEC Media students. This September (2019) A level Dance students shared a platform with the renowned Trianon Music Group's 60<sup>th</sup> birthday concert at their performance of *Carmina Burana* at Snape Maltings.

## **STEM**

The Maths team took 20+ students to the Maths Inspiration lecture day at Cambridge where they were presented with mathematics in the context of exciting, real-world applications. Geraint Thomas from Technology Transformation Partner came to speak with Year 12 students in Maths (+engineering) about the use of maths in robotics and technology which was an excellent session. Year 12 students often support lower year students from our feeder schools in their GCSE studies, and in the reporting year, 3 students helped year 9 students at Chantry High school. Finally, having recently become a network partner for the new Maths Centre for Excellence (Cambridge Regional College) which currently consists of six GFE Colleges, two adult and community learning providers and one large Sixth Form College (One), seeing the impact this will have on post-16 learner outcomes is greatly anticipated.

In Biology A-level Year 12, staff have conducted a research project to specifically develop students' metacognitive and independent learning skills, preliminary results analysis has shown that this has positively impacted on attainment in assessments. Biology have also maintained links with the John Innes Centre and the Royal Society and a group of students have this year presented their research work at the student conference in London. The physics team maintain an ongoing partnership with the Institute of Physics, having run numerous CPD sessions for staff from partnership schools this academic year (a total of 8 across the year).

Skanska have hosted a 7 'Imparity girls in engineering' group at their Head Quarters in order to meet some female engineers and look at how links can be created in order to promote women in engineering.

IT and Computer science students had the opportunity to engage with a number of businesses via trips such as BT Christmas Lectures at Adastral Park, EGX (trade fair for video games and developers) 2018 at the NEC Birmingham, and a trip to BT Adastral Park – July 2019.

Foundation Learning students are experiencing a fabulous programme of work experience in partnership with a number of local employers, including Tesco and Holiday Inn.

### **Debating Society**

This Society offers the opportunity for contentious subjects to be discussed in a respectful atmosphere and regularly attracts at least 15 students. In any given day documented dialogues have been taken around same-sex relationships in Ancient History, Human Rights in Politics, an ethical discussion on the concept of 'good' in Philosophy, unequal distribution of wealth in mega-cities in Geography, immigration in French and religious tolerance in History.

Many Geography students have campaigned on environmental issues within College and at Parliament with the active encouragement of their teachers.

### **Christian Collective**

The Christian Collective attracts students with the support of humanities teachers with one student winning a prestigious College award this year for their work with this group.

### **Institute of Directors (IoD)**

The IoD student member programme has seen a busy and exciting year with 14 students from Year 12 and Year 13 engaging in a variety of talks and visits to local businesses, this included some prestigious engagements from business breakfasts, an Economic Outlook Seminar with the IoD's Senior Economic Advisor, to a trip to a local company producing premium fragrances. There have been guest speakers including a recruitment consultant and a former MI5 agent speaking on cyber security. The culmination of the IoD student member programme saw the 14 IoD student members organise the Student Leadership Conference with over 100 Year 11 students invited to hear guest speakers from industry and took part in discussions in relation to leadership.

### **Key Performance Indicators**

The Trust uses key performance indicators as a tool to assess performance throughout the year. These KPIs are a mixture of financial and non-financial indicators measuring the performance of One Sixth Form College, the only Academy in the Trust in the reporting period, and the suite of indicators are regularly reviewed and modified according to need and priority. These indicators are reported to the Trust Finance Committee and the Board of Trustees and the following KPIs and results presented to Trustees for the 2018/19 year, are shown on the next page.

KPIs 2018 - Period ended August 2019		One Sixth Form College				
KPI	August	RAG Risk	Benchmark	Green RAG	Amber RAG	Red RAG
Cash Reserves (including that on deposit)	£2,137,994	GREEN	1 month's GAG £751,965	> 1 month GAG	90-100% of 1 month GAG	<90% of 1 month GAG
YTD Income as percentage of YTD budget	103.31%	GREEN	Budget	100% or greater	90-100%	<90%
YTD Expenditure as percentage of YTD budget	102.53%	AMBER	Budget	100% or less	101-110%	<110%
Forecasted Surplus/Deficit compared to Budget	£85,052	GREEN	Budget surplus £6,182	> £10k better than budget	Within £10K of budget	> £10k behind budget
Actual staff costs as a % of total Income	72%	GREEN	Budget (73%)	Below target	Within 1%	Over budget
Actual staff costs as a % of GAG and direct Income	77%	GREEN	Budget (78%)	Below target	Within 1%	Over budget
Actual staff costs as a % of YTD Budget	101.10%	RED	Actual v YTD budget	> 1% better than budget	Within 1%	Over budget
Percentage of budget spent on Buildings. YTD Actuals v YTD Budget	13.73%	RED	Premises spend of GAG income including utilities	> 1% better than budget of 10.75%	Within 1%	Over budget
Yr 12 Student numbers as at end of Sept 19	1,187	GREEN	1,049 year 12's	Above target	Within 5%	More than 5% below target
Total Student numbers as at end of Sept 19	2,155	GREEN	2,050 Figure from Yr 2 of submitted 3 year BP for 19/20	Above target	Within 5%	More than 5% below target

### Going Concern

The Trust's financial success and resilience continues. The size of the contribution to reserves arising from the 2017/18 year gave the Trust the confidence to invest further in 2018/19 on the estate and infrastructure at One Sixth Form College. Despite significant investment the Trust reserves remain almost unaltered at the end of the 2018/19 year.

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

### Financial Review

The majority of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. These grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Trust monitors financial performance and well-being by incorporating financial KPIs into the regular financial reports that are considered and discussed by the Finance Committee which reports back to the Board of Trustees. The relevant KPIs are shown in the table above with the outturn or most recent figures included. As can be seen, the majority of the KPI's are green. There are three exceptions, one of which is rated amber with two being rated red.

The amber and red rated KPIs are both due to the Trust investing in staff and the Estate. Teaching and support staff, were remunerated in accordance with the recommended pay deals. Alongside this the Trust has continued investment in the Estate. The Board of Trustees approved the continuation of spend on both the IT and Property Strategies, if necessary, from the Reserves at the end of 2017/18 to ensure that the students continue to have the best learning environment.

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

During the year ended 31 August 2019, total expenditure of £10,974,759 was covered by recurrent grant funding from the ESFA together with other incoming resources. The reduction of income over expenditure for the year (excluding restricted fixed asset funds and pension reserve) was £26,407. The reduction is due to the investment in the infrastructure of One Sixth Form College and the discharge of some ring-fenced Restricted Reserves. Overall from an operational perspective, with the removal of movements on the pension fund and the fixed asset funds and costs of the development of Abbeygate, and exclusion of a further £193,000 of expenses on property and equipment that had been originally planned to occur in previous years, the adjusted surplus was £292,589 in 2018/19. This was an excellent financial performance and better than the corresponding budget set for the year. As at 31 August 2019 the total reserve position for restricted and unrestricted funds (excluding fixed asset funds and pension reserve) was £1,259,193. As referenced in the Reserves Policy, it is important to emphasise that this position has not been reached at the expense of sufficient investment in resources or staffing to support the students during the year and indeed both IT equipment/infrastructure and staffing have been the subject of extra resourcing during the year.

As at 31 August 2019 the net book value of fixed assets was £29,505,557 and movements in tangible fixed assets are shown within note 12 and intangible assets in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academies within the Trust, with the only exception being the use of the leisure facilities which are subject to community use at a charge.

The Trust is considered to be a strong going concern with well-maintained buildings and healthy student numbers in total at the start of the following year. Whilst student numbers at the new Abbeygate Sixth Form College are predicted to be lower than the funding allocated, the budget has been revised to minimise the impact on finances whilst maintaining sufficient resourcing for the new students. Finances will continue to be closely scrutinised at both executive and board level to ensure financial viability is maintained and that learners benefit from appropriate investment in the resources and infrastructure of the Trust.

In accordance with FRS102, the Trust received an actuarial assessment of the pension scheme. The deficit balance is included within the balance sheet as at 31 August 2019 and supporting notes to the accounts.

### **Reserves Policy**

Trustees have the responsibility to manage the assets of the Trust. Setting a reserves policy is a central part of managing the Trust's finances and safeguarding the assets. Trustees must consider both the needs of today's students as well as those of the future when setting a reserves policy. Holding back excessive funds for future needs may damage the education of the current students. Conversely, fully spending all of the current funds leaving no money for investment in the future of the Trust, can damage the education of tomorrow's students.

The Trust was created in September 2015 and therefore the financial strategy has been to establish sufficient reserves to ensure financial resilience for the Trust in the longer term so that any future shortfalls in student numbers or cuts in funding do not negate the opportunity to invest in the future of the organisation. To create this resilience, the intended free reserves level that the Trust set for itself in the Autumn of 2016 was the equivalent of 1 month's estimated expenditure which is approximately £850,000. This was considered sufficient a sum to provide some financial resilience but not so large that it would deny current students of appropriate investment in the resources and infrastructure of the Trust.

During the 2018/19 year the unrestricted reserves figure has increased by £196,430 to £1,075,543, which means that the Trust has exceeded the aspirant target of £850,000, which represented approximately 1 month's expenditure. It is important to emphasise that this has not been done at the expense of sufficient investment in resources or staffing to support the students during the year and indeed both IT equipment/infrastructure and staffing have been the subject of extra resourcing during the year. As the Trust is now entering a new phase with the advent of a new academy which has to establish its reputation locally and an existing academy where premises expenditure is expected to rise over the coming years the target will now be extended to 2 months' estimated expenditure for the Trust, including the two sixth form academies, i.e. £2,065,000 until two conditions are fulfilled; firstly that the existing academy is established and has sufficient student numbers to deliver the economies necessary and secondly that all significant plant and equipment works identified at One Sixth Form College are fully quantified and provided for. Once both have been addressed then the reserves policy will be reviewed.

As at the end of the 2018/19 financial year, unrestricted reserves amounted to a total £1,075,543 which means that the Trust is just over half way to its new aspirational unrestricted targets. The achievement of the previous target earlier than planned is a positive position, since it has been completed without detriment to the provision of education to the students, but equally provides the Trust with a robust reserves position ahead of a period of significant change as it creates a second 16-19 academy that will open in September 2019. The level of free reserves reached is considered to be a very positive start for the Trust having only been in operation for four years.

The level of restricted general funds amounts to £183,650 at the year end. The reduction from prior year was planned in order to ensure that by the year end the reserve was largely spent on the activities for which it was intended.

With the scale of organisational change approaching the Trust and the continued pressure on the education sector's finances, a month's equivalent of expenditure is considered an insufficient reserves position for the Trust. Whilst the existing investment in facilities, ICT infrastructure and resources (both staffing and non-staffing) will continue, the Trust will not deliberately contain the level of unrestricted reserves to 1 month only going forward until the new academy is successfully established and supporting resources appropriately positioned.

### Investment Policy

The Trust recognises the need to obtain best value from all assets that it holds, including any cash balances that it may periodically hold.

This Trust's policy sets out how those balances will be invested in order to achieve best value whilst also ensuring adequate cash flow to enable the management of the day-to-day accounts.

The Trust does not place cash assets in stocks, shares, bonds or other such investment schemes. Cash assets will only be invested in accounts available through its normal bank, currently Lloyds Bank plc. Cash flow and investments shall be managed by the Trust finance team using the following principles:

- Current account balances earn interest which is aggregated across the Trust and then offset against the commission charges accrued producing a net surplus interest payment to the Trust.
- Cash Flow and Current a/c balances are regularly monitored to ensure immediate financial commitments can be met (payroll and creditor payment runs).
- The Trust will always seek to avoid its current account going overdrawn.
- In balancing risk and reward, will always seek to work with a strategy of minimising risk over maximising reward.

### Principal Risks and Uncertainties

The key risks and uncertainties facing the Trust are documented in the risk register of the Trust. This register is regularly triangulated and contains mitigation measures to address or reduce the impact of risks should they come to pass.

The top three risks on the Trust register at the end of the financial year related to:

- Achieving a Shared Services Strategy
- Failure to recruit student numbers at One and Abbeygate Sixth Form Colleges leads to reduced income
- Trust/Local Governing Body/Academy relationships under strain

In part, the KPI schedules also assist in the management of risk and the well-being of the Trust and along with the risk register which has an associated action plan, the KPIs are regularly reviewed by Trustees.

### Fundraising

The Trust undertook no fundraising activities during the year.

### Plan for Future Periods

In addition to consolidating One Sixth Form College's position as the top provider of post 16 education in the vicinity of Ipswich, the Trust has successfully obtained Department for Education agreement and funding to open and operate a post 16 free school for the west of Suffolk in Bury St Edmunds. This 16-19 academy will be called Abbeygate Sixth Form College and opens as an institution in September 2019, operating, temporarily, out of accommodation at West Suffolk College for its first year. The objective of the Trust will be to replicate the outstanding quality of One Sixth Form College at Abbeygate Sixth Form College and improve the academic offer to the post 16 age group across Suffolk and its wider region, raising performance and aspiration.

### Funds Held as Custodian Trustee on Behalf of Others

With the exception of modest funds held by the Trust on behalf of the SWISS (South West Ipswich & South Suffolk) schools' partnership, the Trust does not hold funds on behalf of others. The partnership, of which One Sixth Form is a part, is a unique collaboration of high schools in the South West Ipswich and South Suffolk areas whose objectives are educational.

### Auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company Directors, on 13 December 2019 and signed on the Board's behalf by:



**Elton D'Souza**  
Chair of Trustees  
13 December 2019

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## Governance Statement

### Scope of Responsibility

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

The Board of Trustees has delegated the day to day responsibility to the Chief Executive, 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 Suffolk Academies 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 Trustee's Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Elton D'Souza	3	3
Chris Higgins	2	3
Nikos Savvas	3	3
Chris Ridgeon	2	3
Julia Wakelam	3	3
Sarah Howard	0	3
Roger Inman	3	3
Jim Gazzard	2	3
Karen Points	3	3
Sue Daley	3	3
Steve Clarke	3	3
Alan Maltpress	2	3
Terry Hunt	0	1
Deborah Wildridge	1	3
Sarah Healey Pearce	2	3

The Trust Board has not encountered any particular challenges during the year. The Trust Board passed a resolution to amend the Articles of Association which were approved by the ESFA on 05/11/2018. The Trust Board has continued to provide strong and supportive governance for the existing One Sixth Form College and has been monitoring progress of the start of the Abbeygate Sixth Form College capital project being managed by the ESFA. The Board is mindful of the importance of strategic planning for the start of the new Sixth Form.

Details of the coverage of work undertaken by the Board and its sub-committees is set out below and summary KPIs are considered at each Trust Board meeting. These KPIs are included in the Trustees report.

Membership of the Board of Trustees changed in the year with the resignation of Terry Hunt in December 2018. In July 2018 the Members appointed six new Trustees for their term of office to commence on 1 September 2018; Jim Gazzard, Karen Points, Alan Maltpress, Terry Hunt, Deborah Wildridge and Sarah Healey Pearce. In addition, 2 Members, Sue Daley and Steve Clarke, resigned as Members and were appointed as Trustees. Their term office also commenced on 1 September 2018.

At the end of the academic year the Board of Trustees and its sub-committees completed an annual governance self-evaluation tool. The findings, actions and impact are to be reported to the Members and the Board at their respective meetings in the 2019/20 academic year. In accordance with governance good practice, the Trustee Board is expected to conduct a self-evaluation review of its effectiveness of operation on an annual basis.

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to formulate guidelines for and oversee the discharge of the Trust's responsibilities for the proper management of the finances, estate and assets of the Trust, and any of its Academies.

Attendance at meetings of the Finance Committee in the year was as follows:

Trustee	Meetings attended	Out of a possible
Elton D'Souza	5	5
Steve Clarke	5	5
Deborah Wildridge	5	5
Chris Higgins	4	5
Chris Ridgeon	3	5

Terry Hunt	0	1
Sarah Healey Pearce	3	5
Nikos Savvas	5	5

The Audit committee is a sub-committee of the main Board of Trustees. Its purpose is to review the effectiveness of the internal control environment and risk management arrangements, providing timely advice to the Board of Trustees on areas within its remit.

Attendance at meetings during the year/period was as follows:

Trustee	Meetings attended	Out of a possible
Roger Inman	3	3
Sarah Howard	1	3
Julia Wakelam	3	3
Jim Gazzard	3	3
Alan Maltpress	2	3

The Related Party Transactions Committee is also a sub-committee of the main Board of Trustees, comprising of the three Trustees who are not conflicted. This sub-committee was created by the Trust Board at a meeting on 20/12/2018. The purpose of the Committee is to carry out a rigorous, risk based assessment of related party transactions disclosed in the business of the Trust and to complete a statement of assurance to demonstrate that the supply of goods or services by a related party to the Trust are charged no more than at cost and that compliance with funding agreement obligations have been considered, satisfied and fulfilled.

Attendance at meetings during the year/period was as follows:

Roger Inman	1	1
Sarah Healey Pearce	1	1
Chris Ridgeon	1	1

### Review of Value for Money

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

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

- delivering the curriculum with an efficient staffing structure having recruited higher student numbers
- optimising allocation of staff time
- taking a considered approach to investment in the building, infrastructure and IT
- applying the principles of the Trust's Best Value Statement
- looking at how the Trust can work more collaboratively to secure further economies without detriment to outputs

As a Trust and with the support of formula capital funding and self-generated reserves, we are now able to invest in our estate and ICT infrastructure. This enables the Trust to develop a strategy to deal with the estate's priorities with all expenditure of a capital nature now being managed centrally which additionally will bring a number of procurement benefits. The Trust has also looked at a number of new initiatives to increase savings and efficiencies that will benefit the academies within the Trust as we move into a period that will see increased pension costs and uncertain funding. The infrastructure that has been created, and will continue to develop, will offer our academies and those of the future, sustainable value for money.

### The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Suffolk Academies Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

### Capacity to Handle Risk

The Audit Committee and the Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Audit Committee and the Board of Trustees are of the view that there is a formal on-going process for identifying, evaluating and managing the

Trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Audit Committee and the Board of Trustees.

### The Risk and Control Framework

The Trust's system of internal 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 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:

Schools Choice has been appointed to carry out internal audit checks.

The internal auditor role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular, the checks carried out in the current period included:

Payroll  
 Purchasing  
 Income Controls  
 Monitoring and Review  
 Governance  
 Audit  
 Planning Cycle and Budget  
 Inventory and Security  
 Tax  
 Data Security  
 Insurance

Transactional Audits included:

Payroll  
 Purchasing  
 Income Controls  
 Monitoring and Review

On a regular basis, the internal auditor reports are presented to the Board of Trustees through the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal auditor has delivered their schedule as planned and provide details on any material control issues arising as a result of the review and remedial action taken to rectify the issues. There were no instances of material control issues arising for the period 1 September 2018 for which financial statements have been prepared to 31 August 2019 and up to the date of the approval of the annual report and financial statements.

### Review of Effectiveness

As Accounting Officer, the Chief Executive 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 auditor
- 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 Audit Committee and a plan to and ensure continuous improvement of the system is in place.

Approved by order of the member of the Board of Trustees on 13 December 2019 and signed on its behalf by:



Elton D'Souza  
 Chair of Trustees



Dr Nikos Savvas  
 Accounting Officer

### **Statement of Regularity, Propriety and Compliance**

As Accounting Officer of Suffolk Academies Trust I have considered my responsibility to notify the Trust Board of Trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2018.

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 to the ESFA.



**Dr Nikos Savvas**  
Accounting Officer

**13 December 2019**

## Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academy Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by the order of the members of the Board of Trustees on 13 December 2019 and signed on its behalf by:



**Elton D'Souza**  
Chair of Trustees

**Independent Auditor's Report to the Members of Suffolk Academies Trust****Opinion**

We have audited the financial statements of Suffolk Academies Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related 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*, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

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

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

We have nothing to report in this regard.

**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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

**Responsibilities of trustees**

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

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

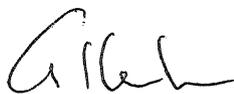
**Auditor's responsibilities for the audit of the financial statements**

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

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

**Use of our report**

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust'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 academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



Giles Kerkham FCA DChA (Senior statutory auditor)  
For and on behalf of

**Larking Gowen LLP**  
Chartered Accountants  
Statutory Auditors  
Ipswich

Date: 18/12/2019

**Independent Reporting Accountant's Assurance Report on Regularity to Suffolk Academies Trust and the Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated 2 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Suffolk Academies Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Suffolk Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Suffolk Academies 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 Suffolk Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Suffolk Academies Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Suffolk Academies Trust's funding agreement with the Secretary of State for Education dated February 2015 and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2018 to 2019 and the ICAEW Assurance Sourcebook. The work undertaken to draw to our conclusion includes, but is not limited to:

- Enquiry of senior management and the trust's directors;
- Inspection and review of the accounting records, meeting minutes, internal control procedures, management representations and declarations of interest;
- Observation and re-performance of the financial controls;
- Review of the results of the trust's process of independent checking of financial controls, systems, transactions and risks.

**Conclusion**

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

MHA Larkly Gowen

Larking Gowen LLP  
Chartered Accountants  
Statutory Auditors  
Ipswich

18 December 2019

**Statement of Financial Activities for the period ended 31 August 2019  
(including Income and Expenditure Account)**

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2019 £	Total 2018 £
<b>Income and endowments from:</b>						
Donations and capital grants	2	-	-	164,831	<b>164,831</b>	44,545
<i>Charitable activities:</i>						
Funding for the academy trust's educational operations	3	108,011	9,705,273	-	<b>9,813,284</b>	9,701,134
Other trading activities	4	401,181	-	-	<b>401,181</b>	362,000
Investments	5	11,236	-	-	<b>11,236</b>	4,909
<b>Total</b>		<u>520,428</u>	<u>9,705,273</u>	<u>164,831</u>	<b><u>10,390,532</u></b>	<u>10,112,588</u>
<b>Expenditure on:</b>						
Raising Funds	6	11,645	-	-	<b>11,645</b>	27,491
<i>Charitable activities:</i>						
Academy trust educational operations	7	299,041	9,877,078	786,995	<b>10,963,114</b>	10,404,594
<b>Total</b>		<u>310,686</u>	<u>9,877,078</u>	<u>786,995</u>	<b><u>10,974,759</u></b>	<u>10,432,085</u>
<b>Net income / (expenditure)</b>		209,742	(171,805)	(622,164)	<b>(584,227)</b>	(319,497)
<b>Transfers between funds</b>	16	(13,312)	(286,032)	299,344	-	-
<b>Other recognised gains / (losses):</b>						
Actuarial (losses) / gains on defined benefit pension schemes	16,24	-	(1,103,000)	-	<b>(1,103,000)</b>	568,000
<b>Net movement in funds</b>		<u>196,430</u>	<u>(1,560,837)</u>	<u>(322,820)</u>	<b><u>(1,687,227)</u></b>	<u>248,503</u>
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2018	16	879,113	(1,189,513)	28,575,867	<b>28,265,467</b>	28,016,964
<b>Funds carried forward at 31 August 2019</b>		<b><u>1,075,543</u></b>	<b><u>(2,750,350)</u></b>	<b><u>28,253,047</u></b>	<b><u>26,578,240</u></b>	<u>28,265,467</u>

All of the academy's activities derive from continuing operations/acquisitions during the current financial period.

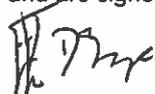
**Statement of Financial Activities for the period ended 31 August 2018  
(including Income and Expenditure Account) showing comparatives by fund**

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2018 £
<b>Income and endowments from:</b>				
Donations and capital grants	-	-	44,545	44,545
<i>Charitable activities:</i>				
Funding for the academy trust's educational operations	128,377	9,572,757	-	9,701,134
Other trading activities	359,800	2,200	-	362,000
Investments	4,909	-	-	4,909
<b>Total income and endowments</b>	<b>493,086</b>	<b>9,574,957</b>	<b>44,545</b>	<b>10,112,588</b>
<b>Expenditure on:</b>				
Raising Funds	27,491	-	-	27,491
<i>Charitable activities:</i>				
Academy trust educational operations	257,562	9,406,032	741,000	10,404,594
<b>Total expenditure</b>	<b>285,053</b>	<b>9,406,032</b>	<b>741,000</b>	<b>10,432,085</b>
<b>Net income / (expenditure)</b>	<b>208,033</b>	<b>168,925</b>	<b>(696,455)</b>	<b>(319,497)</b>
<b>Transfers between funds</b>	(4,689)	(286,008)	290,697	-
<b>Other recognised gains / (losses):</b>				
Actuarial (losses) / gains on defined benefit pension schemes	-	568,000	-	568,000
<b>Net movement in funds</b>	<b>203,344</b>	<b>450,917</b>	<b>(405,758)</b>	<b>248,503</b>
<b>Reconciliation of funds</b>				
Total funds brought forward at 1 September 2017	675,769	(1,640,430)	28,981,625	28,016,964
<b>Funds carried forward at 31 August 2018</b>	<b>879,113</b>	<b>(1,189,513)</b>	<b>28,575,867</b>	<b>28,265,467</b>

**Balance Sheet as at 31 August 2019**

<b>Balance Sheet</b>			
	Notes	2019 £	2018 £
<b>Fixed Assets</b>			
Intangible assets	11	6,175	10,165
Tangible assets	12	<u>29,499,382</u>	<u>29,903,790</u>
		<u>29,505,557</u>	<u>29,913,956</u>
<b>Current assets</b>			
Stock	13	3,866	3,586
Debtors	14	310,419	232,403
Cash at bank and in hand		<u>2,137,994</u>	<u>2,156,942</u>
		<u>2,452,279</u>	<u>2,392,931</u>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	15	<u>(1,118,894)</u>	<u>(958,726)</u>
<b>Net current assets</b>		<u>1,333,385</u>	<u>1,434,205</u>
<b>Total assets less current liabilities</b>		<u>30,838,942</u>	<u>31,348,161</u>
Creditors: amounts falling due after more than one year	15	<u>(1,326,702)</u>	<u>(1,486,694)</u>
<b>Net assets excluding pension liability</b>		<u>29,512,240</u>	<u>29,861,467</u>
Defined benefit pension scheme liability	24	<u>(2,934,000)</u>	<u>(1,596,000)</u>
<b>Total net assets</b>		<u>26,578,240</u>	<u>28,265,467</u>
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>			
- Fixed asset fund	16	28,253,047	28,575,867
- Restricted income fund	16	183,650	406,487
- Pension reserve	16	<u>(2,934,000)</u>	<u>(1,596,000)</u>
<b>Total restricted funds</b>		<u>25,502,697</u>	<u>27,386,354</u>
<b>Unrestricted income funds</b>	16	1,075,543	879,113
<b>Total unrestricted funds</b>		<u>1,075,543</u>	<u>879,113</u>
<b>Total funds</b>		<u>26,578,240</u>	<u>28,265,467</u>

The financial statements on pages 20 to 22 were approved by the Trustees, and authorised for issue on 13 December 2019 and are signed on their behalf by:



**Elton D'Souza**  
Chair of Trustees

**Statement of Cash Flows for the period ended 31 August 2019****Cashflow**

	Notes	<b>2019</b> £	<b>2018</b> £
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	19	<b>343,573</b>	642,523
<b>Cash flows from investing activities</b>			
	20	<b>(202,529)</b>	(190,820)
<b>Cash flows from financing activities</b>			
	21	<b>(159,992)</b>	(159,992)
<b>Change in cash and cash equivalents in the reporting period</b>		<b><u>(18,948)</u></b>	<u>291,711</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Cash and cash equivalents at 01 September 2018	22	<b>2,156,942</b>	1,865,231
<b>Cash and cash equivalents at 31 August 2019</b>		<b><u>2,137,994</u></b>	<u>2,156,942</u>

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 1. Statement of Accounting Policies

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

#### Basis of Preparation

The financial statements of the Trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Charities SORP (FRS102)), the Academies Accounts Direction 2018 to 2019 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

Suffolk Academies Trust meets the definition of a public benefit entity under FRS102.

#### Going Concern

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

#### Income

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

- **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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. Capital Grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

The Trust is benefitting from the ESFA's Free School/Priority Schools Building Programme for the construction of Abbeygate Sixth Form College in Bury St Edmunds. The funding for the programme is not recognised as a capital grant until there is unconditional entitlement from costs being incurred, and the development occurring on a site where the Trust controls through ownership, lease or license the site where the development is occurring.

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the 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'.

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 1 Statement of Accounting Policies

- **Donated fixed assets (excluding Transfers on conversion/into trust)**

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

- **Gifted Assets on Conversion**

The conversion of One Sixth Form College (One SFC) from a state-maintained school to an academy on 1<sup>st</sup> September 2015 involved the transfer of identifiable net assets and liabilities within the school and its operation for £nil consideration.

The assets and liabilities transferred on conversion from One SFC to the Trust have been valued on either the basis of depreciated replacement value (long leased buildings) or their fair value (all other assets).

Upon conversion, One SFC entered into a leasehold agreement with West Suffolk College for the land. A sum of £1.6m will be paid to West Suffolk College at £80,000 per year for 20 years and thereafter a peppercorn rent sum of £1 for 105 years. To reflect the substance of this transaction, the Trust has accounted for the full £1.6m on transfer, with future repayments reducing the liability

### 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 are attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on Raising Funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

### Intangible Fixed Assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, as follows:

Purchased computer software	25%
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### Tangible Fixed Assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the required 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 / reducing balance basis over its expected useful lives, as follows:

• Long Leasehold Buildings	50 years
• Building Improvements	10 years
• Fixtures, fittings & equipment	10 years

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 1 Statement of Accounting Policies

- Computer hardware 4 years
- Motor Vehicles 5 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

#### 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

#### Provisions

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

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

#### Leased Assets

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

#### Financial Instruments

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

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

#### Stock

Unsold art supplies are valued at the lower of cost or net realisable value.

#### Taxation

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

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

#### Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 1 Statement of Accounting Policies

between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

#### Fund Accounting

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

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

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

#### Critical accounting estimates and areas of judgement

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

##### *Critical accounting estimates and assumptions*

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

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

##### *Critical areas of judgement*

These accounts are presented as a true and fair view of the Trust's financial position at the balance sheet date and are believed to be materially correct and free from bias. A judgement has been made on the Fixed Asset Policy over the life of an asset.

#### Agency Arrangements

The Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 26.

The Trust acts as an agent in distributing the SWISS Partnership monies. The funds received and any balances held are disclosed in note 26.

**Notes to the Financial Statements for the Year Ended 31 August 2019****2 Donations and Capital Grants**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2019</b>	<b>Total 2018</b>
	£	£	£	£
<b>Capital grants</b>				
Devolved Formula Capital	-	164,831	<b>164,831</b>	<i>44,545</i>
	-	<b>164,831</b>	<b>164,831</b>	<i>44,545</i>

**3 Funding for the Academy Trust's Educational Operations**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2019</b>	<b>Total 2018</b>
	£	£	£	£
<b>DfE/ESFA Revenue Grants</b>				
General Annual Grant	-	9,126,483	<b>9,126,483</b>	<i>8,953,502</i>
Rates Relief	-	109,466	<b>109,466</b>	<i>106,666</i>
Teachers Pay Grant	-	87,936	<b>87,936</b>	-
Free School Meals	-	20,939	<b>20,939</b>	<i>50,083</i>
Discretionary Bursary/FSM 5% Retained	-	12,676	<b>12,676</b>	<i>12,028</i>
Other	-	-	-	<i>31,103</i>
	-	<b>9,357,500</b>	<b>9,357,500</b>	<i>9,153,382</i>
<b>Other Government Grants</b>				
SEN Element 3	-	247,352	<b>247,352</b>	<i>224,774</i>
Ipswich Opportunity Fund	-	30,000	<b>30,000</b>	-
SCC Reimbursement LGPS insurance	-	10,421	<b>10,421</b>	<i>22,258</i>
Abbeygate PDG final tranche	-	60,000	<b>60,000</b>	<i>172,343</i>
	-	<b>347,773</b>	<b>347,773</b>	<i>419,375</i>
<b>Other income from the academy trust's educational operations</b>				
Academy Trips	108,011	-	<b>108,011</b>	<i>128,377</i>
	<b>108,011</b>	<b>9,705,273</b>	<b>9,813,284</b>	<i>9,701,134</i>

**4 Other Trading Activities**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2019</b>	<b>Total 2018</b>
	£	£	£	£
Hire of Facilities	73,143	-	<b>73,143</b>	<i>83,327</i>
Items Sold	15,388	-	<b>15,388</b>	<i>23,033</i>
Insurance Claims	1,943	-	<b>1,943</b>	<i>4,570</i>
ONE Bus	148,045	-	<b>148,045</b>	<i>116,448</i>
Car Parking	23,742	-	<b>23,742</b>	<i>23,786</i>
Exam Resits	12,807	-	<b>12,807</b>	<i>19,472</i>
Work Experience	14,173	-	<b>14,173</b>	<i>13,495</i>
Sale of Assets	4,345	-	<b>4,345</b>	<i>11,385</i>
Productions	10,409	-	<b>10,409</b>	<i>10,944</i>
Curriculum Bids	24,132	-	<b>24,132</b>	-
Other	73,054	-	<b>73,054</b>	<i>55,540</i>
	<b>401,181</b>	-	<b>401,181</b>	<i>362,000</i>

**Notes to the Financial Statements for the Year Ended 31 August 2019****5 Investment Income**

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Bank Interest	11,236	-	11,236	4,909
	<u>11,236</u>	<u>-</u>	<u>11,236</u>	<u>4,909</u>

**6 Expenditure**

	Non Pay Expenditure			Total	Total
	Staff Costs £	Premises £	Other £	2019 £	2018 £
Expenditure on raising funds					
• Allocated Support Costs	-	-	11,645	11,645	27,491
Academy's educational operations					
• Direct Costs	6,122,242	786,995	827,887	7,737,124	7,378,746
• Allocated Support Costs	1,403,062	1,028,167	794,761	3,225,990	3,025,848
	<u>7,525,304</u>	<u>1,815,162</u>	<u>1,634,293</u>	<u>10,974,759</u>	<u>10,432,085</u>

**Net Income/(expenditure) for the period includes:**

	2019 £	2018 £
Operating lease rentals	120,739	115,866
Depreciation	783,004	737,832
(Gain)/Loss on disposal of fixed assets	-	231
Amortisation of intangible fixed assets (included within Charitable Activities - Academy trust educational operations)	3,991	2,937
Fees payable to auditor for:		
- audit	10,964	11,000
	<u>918,698</u>	<u>867,866</u>

**Notes to the Financial Statements for the Year Ended 31 August 2019****7 Charitable Activities**

	<b>Total 2019</b>	<b>Total 2018</b>
	£	£
<b>Direct costs - educational operations</b>	<b>7,737,124</b>	<b>7,378,746</b>
<b>Support costs - educational operations</b>	<b>3,225,990</b>	<b>3,025,848</b>
	<b><u>10,963,114</u></b>	<b><u>10,404,594</u></b>

	<b>Educational Operations</b>	<b>Total 2019</b>	<b>Total 2018</b>
	£	£	£
<b>Analysis of support costs</b>			
Support staff costs	1,403,062	<b>1,403,062</b>	<b>1,301,854</b>
Technology costs	30,015	<b>30,015</b>	<b>22,693</b>
Premises costs	1,028,167	<b>1,028,167</b>	<b>1,000,821</b>
Other support costs	753,782	<b>753,782</b>	<b>689,480</b>
Governance costs	10,964	<b>10,964</b>	<b>11,000</b>
<b>Total support costs</b>	<b><u>3,225,990</u></b>	<b><u>3,225,990</u></b>	<b><u>3,025,848</u></b>

**8 Staff**

	<b>Total 2019</b>	<b>Total 2018</b>
	£	£
<b>a. Staff costs</b>		
Staff costs during the period were:		
Wages and salaries	<b>5,725,517</b>	<b>5,326,782</b>
Social security costs	<b>533,263</b>	<b>477,480</b>
Operating costs of defined benefit pension schemes	<b>1,236,145</b>	<b>1,231,767</b>
Apprenticeship Levy	<b>13,846</b>	<b>11,436</b>
	<b><u>7,508,771</u></b>	<b><u>7,047,465</u></b>
Supply staff costs	<b><u>16,533</u></b>	<b><u>18,067</u></b>
	<b><u>7,525,304</u></b>	<b><u>7,065,532</u></b>

Staff restructuring costs comprise:

Severance payments	-	<b>2,350</b>
	<b><u>-</u></b>	<b><u>2,350</u></b>

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

There were no staff restructuring costs or non-statutory/non contractual severance payments. (2018: £2,350).

**Notes to the Financial Statements for the Year Ended 31 August 2019****c. Staff numbers**

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

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No</b>
Teachers	108	108
Administration and support	105	107
Management	4	3
	<u>217</u>	<u>218</u>

**d. Higher paid staff**

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

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No</b>
£60,001 - £70,000		1
£70,001 - £80,000	1	
£80,001 - £90,000		1
£90,001 - £100,000	2	
£100,001 - £110,000		1
£110,001 - £120,000	1	

**e. Key management personnel**

The key management personnel of the Trust comprise the Trustees and the senior executive team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £378,633 (2018:£337,071)

This figure excludes remuneration for the Chief Financial Officer whose costs, along with Chief Executive Officer and Trust Secretary form part of the £64,188 (2018: £64,268) Service Level Agreement between the Trust and West Suffolk College as disclosed in note 25.

**9 Related Party Transactions - Trustees' Remuneration and Expenses**

During the year no Trustees have been paid any remuneration nor received other benefits from an employment with the Trust.

The value of Trustees' remuneration was as follows:

£Nil

During the period ended 31 August 2019, travel and subsistence expenses totalling £nil (2018: £1,211) were reimbursed or paid directly to nil Trustees (2018: one)

Other related party transactions involving the Trustees are set out in note 25.

**10 Trustees' and Officers' Insurance**

The Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK Government funds cover losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on 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.

**Notes to the Financial Statements for the Year Ended 31 August 2019****11 Intangible Fixed Assets**

	Computer Software £	Total £
<b>Cost</b>		
At 1 September 2018	15,965	15,965
At 31 August 2019	<u>15,965</u>	<u>15,965</u>
<b>Amortisation</b>		
At 1 September 2018	5,799	5,799
Charged in year	3,991	3,991
At 31 August 2019	<u>9,790</u>	<u>9,790</u>
<b>Carrying Amount</b>		
At 31 August 2018	10,166	10,166
At 31 August 2019	<u>6,175</u>	<u>6,175</u>

**12 Tangible Fixed Assets**

	Leasehold Land and Buildings £	Leasehold Imprvments £	Plant and Machinery £	Furniture and Equipmen t £	Computer Equipment £	Vehicles £	Total £
<b>Cost</b>							
At 1 September 2018	30,999,999	17,638	104,707	167,694	600,215	7,457	31,897,710
Additions	-	-	176,646	69,089	131,411	1,450	378,596
At 31 August 2019	<u>30,999,999</u>	<u>17,638</u>	<u>281,353</u>	<u>236,783</u>	<u>731,626</u>	<u>8,907</u>	<u>32,276,306</u>
<b>Depreciation</b>							
At 1 September 2018	1,766,667	651	8,351	20,866	195,224	2,161	1,993,920
Charged in year	588,889	1,764	11,041	19,644	160,102	1,564	783,004
At 31 August 2019	<u>2,355,556</u>	<u>2,415</u>	<u>19,392</u>	<u>40,510</u>	<u>355,326</u>	<u>3,725</u>	<u>2,776,924</u>
<b>Net Book Values</b>							
At 31 August 2018	29,233,332	16,987	96,356	146,828	404,991	5,296	29,903,790
At 31 August 2019	<u>28,644,443</u>	<u>15,223</u>	<u>261,961</u>	<u>196,273</u>	<u>376,300</u>	<u>5,182</u>	<u>29,499,382</u>

Included within the leasehold land and buildings is a 125 year long leasehold on One Sixth Form College for £1.6m, payable at £80,000 per annum over the first 20 years. Following that, an annual peppercorn rent of £1 per annum over the next 105 years is payable.

Land is not depreciated and was valued at £4.5m at the time of academisation.

**13 Stock**

	2019 £	2018 £
Art supplies	3,866	3,586
	<u>3,866</u>	<u>3,586</u>

**Notes to the Financial Statements for the Year Ended 31 August 2019****14 Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade debtors	12,879	6,101
VAT recoverable	94,535	89,638
Other debtors	1,910	6,017
Prepayments and accrued income	201,095	130,647
	<u>310,419</u>	<u>232,403</u>

**15 Creditors: amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	289,863	183,557
Taxation and social security	130,759	117,470
Other creditors	426,965	416,142
Accruals and deferred income	271,307	241,557
	<u>1,118,894</u>	<u>958,726</u>

**Deferred Income**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Deferred Income at 1 September 2017	157,738	140,289
Released from previous years	(157,738)	(140,289)
Resources deferred in the year	170,859	157,738
Deferred Income at 31 August 2018	<u>170,859</u>	<u>157,738</u>

At the balance sheet date, the Trust was holding funds received in advance for

- £47,725 One Bus payments from students for the Autumn Term 2019
- £41,412 Supported Internship funding for 2019/20
- £23,196 Receipts for students for educational trips due to take place in the academic year starting 1<sup>st</sup> September 2019
- £14,589 Reimbursement from Suffolk County Council for the LGPS III Health Retirement Insurance Premium September 2019 to March 2020.
- £43,937 Other

Included within other creditors is:

- a debt amount of £80,000 due within 2019/20 year to the ESFA which is provided on the following terms: a debt repayment over 6 years of £80,000 per year
- a debt amount of £80,000 due within 2019/20 to West Suffolk College which is provided on the following terms: a debt repayment over 20 years of £80,000 per year.

**Notes to the Financial Statements for the Year Ended 31 August 2019****Creditors: amounts falling due in greater than one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Other Creditors	<b>1,326,702</b>	<b>1,486,694</b>
	<b><u>1,326,702</u></b>	<b><u>1,486,694</u></b>

Included within other creditors is:

A debt of £126,702 due to the ESFA which is provided on the following term: a debt repayment over 6 years of £80,000 per year with effect from 1<sup>st</sup> April 2016.

A debt of £1,200,000 which is the balance of the rental payments due to West Suffolk College. This is due to be repaid at £80,000 per year over a term of 20 years.

There is no interest due on either of the amounts referred to above.

**16 Funds**

	<b>Balance at</b>				<b>Balance at</b>	
	<b>1 September</b>	<b>Income</b>	<b>Expenditure</b>	<b>transfers</b>	<b>Gains /</b>	
	<b>2018</b>				<b>(Losses)</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
					<b>31 August</b>	
					<b>2019</b>	
					<b>£</b>	
<b>Restricted general funds</b>						
General Annual Grant (GAG)	246,500	9,126,483	(8,492,285)	(704,032)	-	176,666
Abbeygate	132,542	60,000	(185,725)	-	-	6,817
Rates	169	109,466	(109,468)	-	-	167
Free School Meals	27,276	33,615	(60,891)	-	-	-
Teachers Pay Grant	-	87,936	(87,936)	-	-	-
SEN Element 3	-	247,352	(247,352)	-	-	-
Other Restricted	-	40,421	(40,421)	-	-	-
Pension reserve	(1,596,000)	-	(653,000)	418,000	(1,103,000)	(2,934,000)
	<b>(1,189,513)</b>	<b>9,705,273</b>	<b>(9,877,078)</b>	<b>(286,032)</b>	<b>(1,103,000)</b>	<b>(2,750,350)</b>
<b>Restricted fixed asset funds</b>						
Transfer on Conversion	27,874,442	-	(589,869)	80,000	-	27,364,573
DfE Group capital grants	120,482	164,831	(11,777)	-	-	273,536
Capital expenditure from GAG	547,928	-	(177,184)	206,032	-	576,776
Other Restricted Funds	28,629	-	(7,565)	-	-	21,064
Unrestricted Funds	4,386	-	(600)	13,312	-	17,098
	<b>28,575,867</b>	<b>164,831</b>	<b>(786,995)</b>	<b>299,344</b>	<b>-</b>	<b>28,253,047</b>
<b>Total restricted funds</b>	<b>27,386,354</b>	<b>9,870,104</b>	<b>(10,664,073)</b>	<b>13,312</b>	<b>(1,103,000)</b>	<b>25,502,697</b>
<b>Unrestricted funds</b>						
Unrestricted funds	879,113	520,428	(310,686)	(13,312)	-	1,075,543
<b>Total unrestricted funds</b>	<b>879,113</b>	<b>520,428</b>	<b>(310,686)</b>	<b>(13,312)</b>	<b>-</b>	<b>1,075,543</b>
<b>Total funds</b>	<b>28,265,467</b>	<b>10,390,532</b>	<b>(10,974,759)</b>	<b>-</b>	<b>(1,103,000)</b>	<b>26,578,240</b>

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

General Annual Grant (GAG) monies have been received from the ESFA and are restricted for the Academy Educational Operations.

**Notes to the Financial Statements for the Year Ended 31 August 2019**

Overall from an operational perspective, with the removal of movements on the pension fund and the fixed asset funds and costs of the development of Abbeygate, and exclusion of a further £193,000 of expenses on property and equipment that had been originally planned to occur in previous years, the adjusted surplus was £292,589 in 2018/19. This was an excellent financial performance and better than the corresponding budget set for the year. With regard to the Restricted General Funds, the Trust balance at 31<sup>st</sup> August 2019 was £183,650 before the pension adjustment on restricted general funds. Of this balance £176,666 relates to unspent GAG which will continue to be used for the academy educational operations. This can be broken down as follows;

£73,841 attributed to One Sixth Form College, this is a reduction from 2017/2018 due to agreed spend of Restricted Reserves investing in the property and IT;

An opening deficit position for Abbeygate Sixth Form College of (£24,826) due to spend being required ahead of opening on 1<sup>st</sup> September 2019 to ensure the College is equipped for the curriculum for the start of term.

A figure of £127,651 is the balance of central MAT monies carried forward from the Academy inception of 1<sup>st</sup> September 2015; this will in part be used to support pan-Trust projects from which both academies will benefit.

Included in these figures is the transfer of £80k from the Restricted GAG fund to the Fixed Asset Fund which reflects the leasehold payment for the One College site.

Within the restricted funds, at the end of the year the Free School Meals balance has been transferred to the Balance Sheet to be accounted for as Agency monies as this is interchangeable with the Discretionary Bursary Funds as per ESFA guidelines. The sum of £6,817 is the balance of monies held from the PDG for the Abbeygate Sixth Form.

The following transfers have taken place into the Fixed Asset Fund for continuing investment in the building and IT operations:

- £206,032 GAG
- £13,312 Unrestricted Funds

A transfer of £418,000 was made to support the pension deficit.

The Trust is carrying a net surplus of £1,075,543 unrestricted funds.

There is a cash balance of £27,487 unspent DFC which represents the difference between the Net Book Value and the Restricted Fixed Asset Fund after adjusting for the outstanding loan to West Suffolk College.

**Notes to the Financial Statements for the Year Ended 31 August 2019**

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

	<b>Balance at 1 September 2017</b>	<b>Income</b>	<b>Expenditure</b>	<b>transfers</b>	<b>Gains / (Losses)</b>	<b>Balance at 31 August 2018</b>
	£	£	£	£	£	£
<b>Restricted general funds</b>						
General Annual Grant (GAG)	202,023	8,953,502	(8,213,229)	(695,796)		246,500
Abbeygate		174,543	(42,001)			132,542
Rates	171	106,665	(106,667)			169
Free School Meals	20,850	50,083	(43,657)			27,276
Teachers Pay Grant						-
SEN Element 3	3,526	224,774	(228,300)			-
Other Restricted		65,390	(45,178)	(20,212)		-
Pension reserve	(1,867,000)		(727,000)	430,000	568,000	(1,596,000)
	<u>(1,640,430)</u>	<u>9,574,957</u>	<u>(9,406,032)</u>	<u>(286,008)</u>	<u>568,000</u>	<u>(1,189,513)</u>
<b>Restricted fixed asset funds</b>						
Transfer on Conversion	28,384,977	-	(590,535)	80,000	-	27,874,442
DfE Group capital grants	84,032	44,545	(8,095)			120,482
Capital expenditure from GAG	501,393		(139,261)	185,796		547,928
Other Restricted Funds	11,223		(2,806)	20,212		28,629
Unrestricted Funds			(303)	4,689		4,386
	<u>28,981,625</u>	<u>44,545</u>	<u>(741,000)</u>	<u>290,697</u>	<u>-</u>	<u>28,575,867</u>
<b>Total restricted funds</b>	<b><u>27,341,195</u></b>	<b><u>9,619,502</u></b>	<b><u>(10,147,032)</u></b>	<b><u>4,689</u></b>	<b><u>568,000</u></b>	<b><u>27,386,354</u></b>
<b>Unrestricted funds</b>						
Unrestricted funds	675,769	493,086	(285,053)	(4,689)		879,113
<b>Total unrestricted funds</b>	<b><u>675,769</u></b>	<b><u>493,086</u></b>	<b><u>(285,053)</u></b>	<b><u>(4,689)</u></b>	<b><u>-</u></b>	<b><u>879,113</u></b>
<b>Total funds</b>	<b><u>28,016,964</u></b>	<b><u>10,112,588</u></b>	<b><u>(10,432,085)</u></b>	<b><u>-</u></b>	<b><u>568,000</u></b>	<b><u>28,265,467</u></b>

**Notes to the Financial Statements for the Year Ended 31 August 2019****17 Analysis of Net Assets between Funds**

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds 2019 £
Intangible fixed assets	-	-	6,175	6,175
Tangible Fixed assets	-	-	29,499,382	29,499,382
Current assets	1,247,094	1,092,146	113,039	2,452,279
Current liabilities	(171,551)	(781,794)	(165,549)	(1,118,894)
Non current liabilities	-	(126,702)	(1,200,000)	(1,326,702)
Pension scheme liability	-	(2,934,000)	-	(2,934,000)
<b>Total net assets</b>	<b>1,075,543</b>	<b>(2,750,350)</b>	<b>28,253,047</b>	<b>26,578,240</b>

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds 2018 £
Intangible fixed assets			10,166	10,166
Tangible Fixed assets			29,903,790	29,903,790
Current assets	1,093,878	1,271,008	28,045	2,392,931
Current liabilities	(214,765)	(657,827)	(86,134)	(958,726)
Non current liabilities		(206,694)	(1,280,000)	(1,486,694)
Pension scheme liability		(1,596,000)		(1,596,000)
<b>Total net assets</b>	<b>879,113</b>	<b>(1,189,513)</b>	<b>28,575,867</b>	<b>28,265,467</b>

**18 Commitments under Operating Leases****Operating Leases**

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	103,250	120,239
Amounts due between one and five years	51,867	31,352
	<b>155,117</b>	<b>151,591</b>

**Notes to the Financial Statements for the Year Ended 31 August 2019****19 Reconciliation of Net Income/(Expenditure) to Net Cash flow from operating activities**

	2019 £	2018 £
Net income/(expenditure) for the year (as per the statement of financial activities)	(584,227)	(319,497)
Adjusted for:		
Amortisation (note 11)	3,991	2,937
Depreciation (note 12)	783,004	738,063
Capital grants from DfE and other capital income	(164,831)	(44,545)
Interest receivable (note 4)	(11,236)	(4,909)
Defined benefit pension scheme cost less contributions payable (note 24)	188,000	247,000
Defined benefit pension scheme finance cost (note 24)	47,000	50,000
(Increase)/decrease in stocks	(280)	(2,280)
(Increase)/decrease in debtors	(78,016)	(33,080)
Increase/(decrease) in creditors	160,168	8,834
<b>Net cash provided by / (used in) Operating Activities</b>	<b>343,573</b>	<b>642,523</b>

**20 Cash Flows from Financing Activities**

	2019 £	2018 £
Repayments of borrowing	(159,992)	(159,992)

**21 Cash Flows from Investing Activities**

	2019 £	2018 £
Dividends, interest and rents from investments	11,236	4,909
Purchase of tangible fixed assets	(378,596)	(231,086)
Purchase of intangible fixed assets	-	(9,188)
Capital grants from DfE / ESFA	164,831	44,545
<b>Net cash provided by / (used in) investing activities</b>	<b>(202,529)</b>	<b>(190,820)</b>

**22 Analysis of Cash and Cash Equivalents**

	At 1 September 2018 £	Cash flows £	At 31 August 2019 £
Cash in hand and at bank	2,156,942	(18,948)	2,137,994
<b>Total cash and cash equivalents</b>	<b>2,156,942</b>	<b>(18,948)</b>	<b>2,137,994</b>

**23 Members' Liability**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 as stated in Article 8 of the Articles of Association for the debts and liabilities contracted before he/she ceases to be a member.

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 24 Pension and Similar Obligations

The 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 Suffolk County Council. Both are multi-employer defined-benefit schemes.

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

Contributions amounting to £126,031 (2018: £114,708) were payable to the schemes at 31 August 2019 and are included within creditors.

#### Teachers' Pension Scheme

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

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

#### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The previous actuarial valuation was carried out as at 31 March 2012 and determined the contributions for the period, which were paid at a rate of 16.48%. This rate has been paid since September 2015.

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £604,491 (2018 - £561,012).

A copy of the latest valuation report can be found on the Teachers' Pension Scheme website.

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

#### Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

**Notes to the Financial Statements for the Year Ended 31 August 2019****24 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 year ended 31 August 2019 was £549,332 (2018: £523,886), of which employer's contributions totalled £436,654 (2018: £423,756) and employees' contributions totalled £105,678 (2018: £98,000). The agreed contribution rates for future years are 24.9% for employers and a variable % for employees dependant on the salary of individuals as follows:

<b>Annual Salary</b>	<b>Contribution Rate</b>
£0 - £14,400	5.50%
£14,401 - £22,500	5.80%
£22,501 - £36,500	6.50%
£36,501 - £46,200	6.80%
£46,201 - £64,600	8.50%
£64,601 - £91,500	9.90%
£91,501 - £107,700	10.50%

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

**Principal Actuarial Assumptions**

	<b>At 31 August 2019</b>	<b>At 31 August 2018</b>
	<b>p.a.</b>	<b>p.a.</b>
Rate of increase in salaries	<b>2.60%</b>	<b>2.60%</b>
Rate of increase for pensions in payment/inflation	<b>2.30%</b>	<b>2.30%</b>
Discount rate for scheme liabilities	<b>1.90%</b>	<b>2.80%</b>
Inflation assumption (CPI)	<b>2.30%</b>	<b>2.40%</b>
Commutation of pensions to lump sums	<b>25.00%</b>	<b>25.00%</b>

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

	<b>At 31 August 2019</b>	<b>At 31 August 2018</b>
<i>Retiring today</i>		
Males	<b>21.3</b>	<b>21.9</b>
Females	<b>23.5</b>	<b>24.4</b>
<i>Retiring in 20 years</i>		
Males	<b>22.3</b>	<b>23.9</b>
Females	<b>24.9</b>	<b>26.4</b>

**Notes to the Financial Statements for the Year Ended 31 August 2019****24 Pension and Similar Obligations (continued)**

	<b>At 31 August 2019 £</b>	<b>At 31 August 2018 £</b>
<b>Sensitivity analysis</b>		
Discount rate -0.1%	197,000	130,000
Salary rate +0.1%	31,000	25,000
Pension rate +0.1%	162,000	103,000

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

	<b>Fair value at 31 August 2019 £</b>	<b>Fair value at 31 August 2018 £</b>
Equities	1,562,500	1,530,160
Corporate bonds	843,750	666,360
Property	687,500	246,800
Cash and other liquid assets	31,250	24,680
<b>Total market value of assets</b>	<b>3,125,000</b>	<b>2,468,000</b>

The actual return on scheme assets was £65,000 (2018: £52,000).

**Amounts recognised in the statement of financial activities**

	<b>2019 £</b>	<b>2018 £</b>
Current service cost	(582,000)	(677,000)
Past service cost	(24,000)	-
Interest income	76,000	52,000
Interest cost	(123,000)	(102,000)
Total amount recognised in the SOFA	<b>(653,000)</b>	<b>(727,000)</b>

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

	<b>2019 £</b>	<b>2018 £</b>
<b>At 1 September</b>	<b>4,064,000</b>	<b>3,707,000</b>
Current service cost	582,000	677,000
Interest cost	123,000	102,000
Employee contributions	106,000	98,000
Actuarial (gain)/loss	1,168,000	(516,000)
Benefits paid	(8,000)	(4,000)
Past service cost	24,000	-
<b>At 31 August</b>	<b>6,059,000</b>	<b>4,064,000</b>

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

	<b>2019 £</b>	<b>2018 £</b>
<b>At 1 September</b>	<b>2,468,000</b>	<b>1,840,000</b>
Interest income	76,000	52,000
Actuarial gain/(loss)	65,000	52,000
Employer contributions	418,000	430,000
Employee contributions	106,000	98,000
Benefits paid	(8,000)	(4,000)
<b>At 31 August</b>	<b>3,125,000</b>	<b>2,468,000</b>

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 25 Related Party Transactions

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust has an interest. The amended Articles of Association includes section 97 on Conflicts of Interest. The role of the Related Party Transaction sub-committee is described in the Governance Statement commencing on pages 13-16. All transactions involving such organisations are in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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

#### West Suffolk College

West Suffolk College is the sponsor of Suffolk Academies Trust.

West Suffolk College owns the freehold of the site that One Sixth Form College is located on and this property was leased to SAT for 125 years commencing 1 September 2015. One Sixth Form College paid a sum of £80,000 relating to rent to West Suffolk College for the year (2018: £80,000). The year-end liability is £1,280,000 (2018: £1,360,000).

The Principal and Vice Principal Finance and Resources of West Suffolk College provide the services of Chief Executive/Accounting Officer and Chief Financial Officer respectively. In addition, the Clerk to the Corporation of West Suffolk College provides Trust Secretary services to the Trust. These services are charged for via a Service Level Agreement approved by both parties and any other charges between West Suffolk College and the Trust are in line with the requirements of related party transactions as set out in the Academies Financial Handbook. One Sixth Form College paid a sum of £64,188 in respect of the Service Level Agreement with West Suffolk College for the year (2018: £64,268).

The Abbeygate Sixth Form, in its pre-opening phase, hired office space from West Suffolk College at a cost of £8,442 (2018 £nil)

The Trust has incurred further expenditure with West Suffolk College for Catering £1,075 and Marketing £600 (2018 Resources £3,441).

#### Association of Colleges in the Eastern Region (ACER) / Association of Colleges (AoC)

The CEO of Suffolk Academies Trust was a Trustee of ACER up to 30 July 2019.

There was a Service Level Agreement in place between SAT and ACER in the 2018/19 year. During the year ACER was taken over by the AoC (Association of Colleges). The SLA was for services provided by a Project Manager to assist with the opening preparations for the new Abbeygate Sixth Form College in Bury St Edmunds. A sum of £46,588.46 has been paid in respect of this for the year (2018: £45,031.56).

The Trust has incurred further expenditure with the AoC as follows: Recruitment advertising £10,000; CPD £1,775 (2018 CPD £1,027).

In entering into the related party transaction, the Trust has complied with the requirements of the ESFA's Academies Financial Handbook. The element above £2,500 has been provided 'at no more than cost' and related parties have provided a statement of assurance confirming this.

#### Income Related Party Transaction

During the year the following income transactions have taken place between Suffolk Academies Trust and West Suffolk College: Reimbursement for IoT (Institute of Technology) work £4,831; CPD £320; Apprentice Incentive Payment £1,000 (2018 Hiring £11,674 STEM Project £2,750)

### 26 Agency Arrangements

The Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the year the Trust received £216,741 (2018: £199,251) and disbursed £227,185 (2018: £187,863) from the fund. An amount of £10,584 (2018: £21,029) is included in other creditors relating to undisturbed funds.

As at the end of August 2019 the Trust has taken the decision to move the balance of Free School Meals money to the Balance Sheet to be treated as Agency money. This fund, as in guidance from the ESFA, is interchangeable with the Discretionary Bursary. The Balance of the Free School Meals under other creditors is £29,538 relating to undistributed funds will be used to support students during 2019/20.

## **Notes to the Financial Statements for the Year Ended 31 August 2019**

The Trust acts as an agent in distributing the SWISS Partnership monies. In the year the Trust received £nil (2018 nil) and disbursed £20,170 (2018: £49,415). An amount of £48,536 (2017: £68,705) is included in other creditors.

### **27 Events after the end of the reporting period**

At the start of September 2019, Abbeygate Sixth Form College opened to students. The first intake is for Year 12 only. The College is currently operating from temporary accommodation while the construction of the new College building is completed. It is expected that the new site will be ready for Abbeygate Sixth Form College to occupy from September 2020.