

RAEDWALD TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

RAEDWALD TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members	Alan Whittaker Stephen Hardman (resigned 7 December 2017) Anthony Houghton Andrew Solomon (appointed 7 December 2017)
Trustees	Roger Fern, Chair Simon (Toby) Durrant, Chair (resigned 10 July 2018) Stuart Bailey (resigned 31 August 2018) Stephen Hardman Elizabeth Harsant Anna Hennell James Ewan Phillips (resigned 23 August 2018) David Siddall (resigned 31 August 2018) Christine Walters (appointed 7 December 2017) Roger Grosvenor (appointed 7 December 2017, resigned 29 August 2018) Craig D'Cunha (appointed 17 July 2018) Angela Ransby, Chief Executive (appointed 1 September 2018) Thomas Minnican (appointed 24 September 2018) Jonathan Reed (appointed 31 October 2018)
Company registered number	08702099
Company name	Raedwald Trust
Principal and registered office	Parkside School 291 Spring Road Ipswich Suffolk IP4 5ND
Chief executive officer	Angela Ransby
Senior management team	Mark Winston, Centre Manager Sally Swan, Head Teacher Kim Charlesworth, Lead Teacher Stuart Bailey, Interim Executive Head David Siddall, Interim Executive Head Carey Fish, Head Teacher Fran Alexander, Head Teacher Trudy Read, Deputy Head Teacher Angela Ransby, CEO and accounting officer (from 1 September 2018)

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REFERENCE AND ADMINISTRATIVE DETAILS
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Advisers (continued)

Independent auditors Price Bailey LLP
Chartered Accountants
Statutory Auditors
Anglia House, 6 Central Avenue
St Andrews Business Park
Thorpe St Andrew
Norwich
Norfolk
NR7 0HR

Bankers Lloyds Bank
Cornhill
Ipswich

Solicitors Steeles Law
2 The Norwich Business Park
Whiting Road
Norwich
NR4 6DJ

RAEDWALD TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Raedwald Multi Academy Trust (The Trust or the Charitable Company) for the year ended 31 August 2018. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates five AP Academies serving a catchment area in Ipswich. The Academies have a combined capacity of 178 and had a roll of 178 in the 2018 census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents.

The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee and Director are interchangeable.

The Charitable Company includes the following Academies:

- Westbridge AP Academy - converted and joined the Trust on 01/05/2016
- Parkside AP Academy - converted and joined the Trust on 01/05/2016
- Alderwood AP Academy - converted and joined the Trust on 01/09/2017
- First Base Ipswich AP Academy – converted and joined the Trust on 01/11/2017
- St. Christopher's AP Academy - converted and joined the Trust on 01/12/2017.

The operation of The Trust's Academies and employment of staff are the responsibility of the Trustees. The Trust retains control of Academy budgets and finances, and monitors these through its Finance Committee. Throughout this report the Board of Trustees is referred to as the Trust Board (TB). Each Academy has appointed Local Governing Bodies (LGB) who now have some decision making powers. The Trust Board delegates some decisions to their committees including the Headteacher Executive Group.

Details of the Trustees who served throughout the period are included in the Reference and Administrative Details section. Within this Report the term Trustee refers to a member of the TB and the term Governor to a member of an LGB. Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

Members' Liability

Each Member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a Member, or within one year after they cease to be a Member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a Member.

Trustees and Officers' Indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance is via the RPA scheme and provides cover up to £10,000,000 on any one claim and details of the costs are disclosed in note 12 to the accounts.

Method of Recruitment and Appointment or Election of Trustees

The arrangements are as set out in the Articles and Funding Agreement.

Trustees are appointed for a fixed term. The Chief Executive Officer (CEO) is an ex officio member of the TB. Other Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for 12 Trustees plus the CEO.

Trustees are appointed for a four year period, except that this limit does not apply to the Executive Headteacher/CEO. Subject to remaining eligible to be a particular type of trustee, any trustee can be re-appointed or re-elected.

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

Policies and Procedures Adopted for the Induction and Training of Trustees and Governors

The training and induction provided for new Trustees will depend on their existing experience. Induction tends to be done informally, each Trustee is introduced to the Chair and CEO and is tailored specifically to the individual. We use our own in house training and also County wide training on such matters as governance and safeguarding.

The Trust is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training so as to enable them to perform their role effectively. To this end The Trust links with a number of local training providers. New Trustees and Governors are required to attend a training programme. The induction programme would involve a tour of the relevant Academy, meetings with students and staff and provision of policy and procedures documents that are appropriate to the role they undertake with particular emphasis on the committee work that they will undertake.

Organisational Structure

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

The following decisions are reserved to the Board of Trustees;

- To consider any proposals for changes to the status or constitution of the Multi-academy Trust and its committee structure
- To appoint or remove the Chair and/or Vice Chair
- To appoint the CEO and Clerk to the Trustees
- To approve the Annual Development Plan and budget

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

The Trust has a leadership structure, which consists of the Trustees, the CEO, Headteacher Executive Group and the Academy Local Governing Body. The aim of the leadership structure is to devolve responsibility and encourage involvement and decision making at all levels.

The revised Scheme of Delegation (June 2018), which clearly outlines the level of responsibility at the following levels:

1. Members
2. Board of trustees of the multi academy trust
3. Chief executive officer
4. Headteacher Executive Group
5. Academy Local Governing Body/Committee
6. Academy Headteacher

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Trust's CEO is the Accounting Officer.

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Arrangements for setting pay and remuneration of key management personnel

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

The Performance Management of the CEO is undertaken by the Trust Board's Finance Committee/Performance Management Review panel, this is monitored on a termly basis.

The Performance Management of the School Leaders is undertaken by the CEO on a termly basis. Each Academy Headteacher is responsible for their academy staff's performance management. Pay and remuneration is approved through the Executive Board with the exception of the CEO whose pay is approved via the TB.

Currently, teachers' contracts are based on the 2017 School Teachers Pay and Conditions guidance.

All amendments to key management's pay and remuneration are approved by the appropriate sub-committee and ratified by the TB.

Related Parties and other Connected Charities and Organisations

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, it is inevitable that from time to time transactions will take place with organisations in which members of the TB may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where one or more Trustees may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust does not have a formal sponsor.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and aim of the Charitable Company is the operation of a number of Academies to provide free education and care for pupils of different abilities within its local community between the ages of Early Years and 16.

Objectives, Strategies and Activities

The Aims of the Trust are as follows:

- To create a successful Multi-Academy Trust embracing all Pupil Referral Units from across the whole of Suffolk
- To establish a fit for the 21st Century Alternative Provision for the most vulnerable and complex young people across the Key Stages
- To provide a complete end/end journey for young people
- To support schools within the locality through a fit for purpose Outreach Service
- To establish and manage an Assessment Centre designed to identify the needs of vulnerable young people in the South of Suffolk and 'place' them accordingly in appropriate Key Stage Alternative Provisions, ensuring the best destination and outcomes for those young people
- To establish a 'mature' campus-based learning experience with the Lindbergh Campus as the main campus site with flexible access for all young people across all Raedwald Trust's learning campuses
- To provide a 'basket of services' designed to serve the specific needs of our complex and vulnerable young people
- To closely work with families and outside agencies to achieve the aims above

Details of how the above are achieved are outlined in each Academy's Development Plan which are submitted to the Trust Board for approval.

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The first academies to join the Trust did so on 1st May 2016, making this the third year of operation. Thus far the Trust has worked towards these aims by:

- Alderwood Pupil Referral Unit converting to the Trust on 1st September 2017, First Base Ipswich converting to the Trust also, on 1 November 2017, and finally St. Christopher's Pupil Referral Unit converting to the Trust on 1st December 2017.
- Our Improvement Plan identifies a number of strategies from personalised learning to equality of opportunities across the MAT.
- Working with students moving on is a key aspect of our work with key workers supporting vulnerable learners with their future choices. Also highlighted in our Improvement Plan.
- We are identifying through Heads' associations what other schools might wish for, such as increasing provision or medical cases and supporting primaries with challenging circumstances.
- Assessment hub established at the Lindbergh Campus.
- The separation of Key Stage three students at Parkside Academy and the Lindbergh Campus providing bespoke learning opportunities is in place.
- Personalised learning for all in place across the MAT. It is creative and interwoven with others providers and is highly responsive to need.
- There is a strength within the Trust within the pastoral teams based in each academy which is built on continuing to improve good practice. Strategically the SLT is looking to enhance this through the development of a Pastoral Lead role to ensure consistency across the MAT.
- Cross MAT CPD taking place.
- Value for money being achieved through centralised financial administration.

Public Benefit

The Trustees believe that by working towards the objects and aims of the Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

STRATEGIC REPORT

Achievements and Performance

Achievement and performance are outlined on each academy website and presented by each academy head to the Board of Trustees at a Board meeting.

Achievement and performance is set within the context of the provision and the complex nature of the young people we serve. A key achievement at the end of academic year 2017-18 was 98% destination outcomes for all young people at Key Stage 4, across the Multi-Academy Trust.

The Trust continued its mission to ensure that students achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left their Academy.

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Specific achievements were as follows:

- Exams analysis by each academy is undertaken and this year's results were impressive when compared with AP settings in any National data.
- A number of students achieved five GCSEs including English and Maths.
- Pupil progress is frequently rapid when compared with their most recent experience in school and from baseline measures.
- A significant number of students were involved in vocational learning which is highly specific.
- Attendance figures indicate improved engagement when compared to previous experience in school.

Key Performance Indicators

The absence of there being national benchmarks for Alternative Provision the Trust has developed its own system of setting and measuring its own Key Performance indicators (KPIs). The Leadership Team have developed an internal 'target setting' and monitoring system for each Academy in the Trust. These are currently KS4 centric, currently, and focus on KS4 outcomes, for example GCSEs and other accredited examinations, pupil progress, attendance, behaviour, student well being etc.

The Trustees receive regular information at each TB meeting/committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Total pupil numbers for 2017 were 178 against a forecast of 178. However, Ofsted inspected Parkside and Lindbergh in March 2016, the inspection judgement was "good"; it is worth noting additionally Westbridge Academy was also deemed Good from their most recent Ofsted inspection in September 2013.

This is an extract from the most recent Parkside/Lindbergh Inspection Report:

"Since the last inspection, the unit has grown in size and the number of pupils on roll has more than doubled. This expansion has been managed well by senior leaders.

- Senior leaders have shared the good practice established at the Parkside unit with the Lindbergh Centre, enabling pupils with challenging behaviour who have been excluded from other schools to successfully re-engage with their learning and be kept safe.
- Teaching is securely based on knowing pupils' very different medical, social, emotional and behavioural needs. By building positive relations, and managing their behaviour with great sensitivity, tolerance and understanding, effective teaching enables pupils to behave and achieve well.
- Assessing pupils' prior learning, their backgrounds and interests on arrival with them and their parents enables staff to tailor provision to meet pupils' individual needs.
- Behaviour is managed well. The endless patience show by staff when dealing with pupils' complex emotional and behavioural needs is exceptional. Staff work tirelessly to build pupils' aspirations, boost their confidence and help keep them safe. Pupils and parents spoke warmly about the care and support they receive.
- The majority of pupils leave Year 11 with awards in basic literacy and numeracy, work-related or GCSE qualifications. This, and the high-quality careers guidance, prepares them well for the next stage of their learning, training or work.
- The progress and personal development of pupils who have special educational needs or disability are monitored effectively to ensure that they achieve equally as well as others.
- Senior leaders rigorously hold staff to account for their work. Leaders at the Lindbergh Centre have successfully improved provision.
- The management committee provide clear strategic direction and ensure that arrangements to help keep pupils safe are in place".

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Another key financial performance indicator is staffing costs as a percentage of total income. For 2017/18 this was 72%. The Trustees are confident that staffing levels are closely monitored to agreed Full Time Equivalents and staffing structures all approved by the TB.

The Finance and Resources Committee also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the TB.

Going Concern

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

FINANCIAL REVIEW

The principal sources of funding for the Trust are the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA) and the local authority. For the year ended 31 August 2018 the Trust received total income of £9,187,857, of which £5,068,280 related to GAG and other funding, and £4,119,577 related to income on conversion of the three schools which joined the Trust during the year. A high percentage of the income from GAG and other funding is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £4,955,455 on expenditure and of this, transferred £34,886 to support capital new build and improvement projects on the various academy sites. The fixed asset fund at 31 August 2018 totalled £7,647,611.

The Trust brought forward from 16/17, £769,764 of restricted funds, excluding pension reserve and £127,736 of unrestricted funding. The carry forward for 17/18 is £1,170,245 of restricted funding, excluding pension reserve and £385,085 of unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £877,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Reserves Policy

The reserves policy of the Trust is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies. This policy was approved by the TB in November 2016.

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Business Manager. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and in restricted funds) is £385,085. This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

The Trust's balance on restricted funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2018 was £1,555,330.

The cash balance of the Trust has been very healthy all year, ending the year with a balance at the year end of £1,762,191. A proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the committee Business Manager reports.

A strategic ICT review is being undertaken in 2018/19, and following this review some of the Trust's reserves will be utilised to implement the new ICT strategy.

Investment Policy

An investment policy was approved by the TB in September 2016.

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The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise its income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trust works with the LGB's in maintaining a central risk register identifying the major risks, to which each Academy is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the TB with a formal review of the process undertaken on an annual basis. The internal control systems and the exposure to identified risks are monitored on behalf of the Trustees at each Finance and Resources Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academies at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a group of academy schools, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- each Academy within the Trust has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the individual Academies is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed;
- safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline; Recent concerns about gang culture in the locality have resulted in the Trust forging closer collaborations with a range of agencies in our joint commitment to keeping children safe;
- staffing - the success of the Academies is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - The Trust has appointed Schools Choice to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any Academy ceasing to exist the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust and each Academy have continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

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TRUSTEES' REPORT (continued)
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PLANS FOR FUTURE PERIODS

The vision of the Trust is to incorporate the remaining Pupil Referral Units of South Suffolk into the MAT. At the date of this report, this has now been achieved. This means that there is now a thorough AP provision from Foundation to Key Stage 4. We have also been successful in being registered as an academy sponsor.

Currently we are in the process of converting First Base Bury into the Trust. A conversion date is set for 1st February 2019.

Sustainability over the next several years remains central to our thinking.

Funds Held as Custodian Trustee on Behalf of Others

The trust does not hold any fund as a custodian Trustee on behalf of others.

Trade union facility time

During the financial year, no employees of the Trust were trade union officials, and trade union facility time was not outsourced, meaning that no costs were borne by the Trust in this respect.

AUDITORS

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 31 October 2018 and signed on its behalf by:

Roger Fern
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Raedwald 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 CEO, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Raedwald Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 7 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
Roger Fern, Chair	7	7
Simon (Toby) Durrant, Chair	4	7
Stuart Bailey	7	7
Stephen Hardman	7	7
Elizabeth Harsant	2	7
Anna Hennell James	5	7
Ewan Phillips	2	7
David Siddall	7	7
Christine Walters	2	4
Roger Grosvenor	1	4
Craig D'Cunha	0	0
Angela Ransby, Chief Executive	0	0
Thomas Minnican	0	0
Jonathan Reed	0	0

The finance and audit committee is a sub-committee of the main board of trustees. The finance and audit committee's primary purpose is to provide assurance over the suitability of, and compliance with, its financial systems and operational controls. Its purpose is to assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the Academy's finances and resources.

Finance and Audit Committee meetings have taken place throughout the year and the Chair of the Finance Committee resigned with another Trustee undertaking the Chair's role. The key challenge for the Committee has been the due diligence of those pupil referral units looking to join the MAT. The due diligence required has evolved and refined over the year to provide Trustees with a clearer understanding of the financial liabilities both short and long term and the overall impact on the current Trust's academies.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Steve Hardman	3	3
David Siddall	3	3
Stuart Bailey	2	3
Ewan Phillips	3	3
Elizabeth Harsant	1	3

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GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

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

The trust has continued to gain cost savings as more processes become aligned across all the academies. Staff appointments are now Trust appointments with mobility clauses included to ensure flexibility to work across the Trust. Leadership development Trust wide has also provided career opportunities, which would otherwise have not been available.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Raedwald Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

The trust has appointed Schools Choice (Suffolk based Traded Service from the Local Authority) as its internal audit service. They will work through an evaluation tool, specifically designed by Schools' Choice for academies. The questions they ask are answered based on physical evidence and testing, and also through questioning of the relevant members of staff, head teacher and governors of the academy trust.

Core transactional testing is undertaken at each visit covering a sample of payroll and income transactions, orders/payments and bank reconciliations. In addition, the monitoring reports produced for governors are checked to ensure there are adequate budgetary control arrangements, and that expenditure against the budget is on target. Following the outcomes of the transactional testing, the remainder of each visit focuses on further testing any risks identified in the transactional testing or any areas as requested by the finance & audit committee.

Schools Choice carry out 3 internal audit visits per year.

Schools Choice have delivered their planned schedule of internal audit work during the year. No material control issues were raised.

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the finance and general purposes 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

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GOVERNANCE STATEMENT (continued)

There were no material control issues raised. Income controls were tested at the second internal audit visit, then income procedures were changed/improved. Income controls were then retested at the fourth internal audit visit and rated as good. There were some issues raised on the purchasing system & the Trust is taking action to introduce an order form which will be used across the trust & a new procedure that ensures purchasing processes are consistent & strengthened across the trust. Even though purchases are currently always authorised, this is sometimes done verbally, so there is no audit trail. The new purchasing process, once in place, will address this issue.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the CEO 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 external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 31 October 2018 and signed on their behalf, by:

Roger Fern, Chair
Chair of Trustees

Angela Ransby, Chief Executive
Accounting Officer

RAEDWALD TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

Angela Ransby
Accounting Officer

Date: 31 October 2018

RAEDWALD TRUST
(A Company Limited by Guarantee)

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

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

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

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

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

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

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

Approved by order of the members of the board of trustees on 31 October 2018 and signed on its behalf by:

Roger Fern, Chair
Chair of Trustees

RAEDWALD TRUST
(A Company Limited by Guarantee)

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

OPINION

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

RAEDWALD TRUST
(A Company Limited by Guarantee)

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report) for which the financial statements are prepared is consistent with the financial statements .
- the Strategic Report and the Directors' 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 Strategic Report and the Directors' 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.

RAEDWALD TRUST
(A Company Limited by Guarantee)

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, 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.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

This report is made solely to the 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.

John Warren FCA (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Anglia House, 6 Central Avenue
St Andrews Business Park
Thorpe St Andrew
Norwich
Norfolk
NR7 0HR
10 December 2018

RAEDWALD TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 20 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Raedwald Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF RAEDWALD TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Raedwald Trust's funding agreement with the Secretary of State for Education dated December 2014, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

RAEDWALD TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO RAEDWALD TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

CONCLUSION

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

Price Bailey LLP

Reporting Accountant

Anglia House, 6 Central Avenue
St Andrews Business Park
Thorpe St Andrew
Norwich
Norfolk
NR7 0HR

10 December 2018

RAEDWALD TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations & capital grants:	2					
Assets transferred on conversion to academy	2	256,583	(363,000)	4,225,994	4,119,577	-
Other donations and capital grants	2	1,150	539,551	44,393	585,094	20,152
Charitable activities	3	4,352	4,466,958	-	4,471,310	2,957,315
Other trading activities	4	4,410	4,041	-	8,451	7,495
Investments	5	3,425	-	-	3,425	466
TOTAL INCOME		<u>269,920</u>	<u>4,647,550</u>	<u>4,270,387</u>	<u>9,187,857</u>	<u>2,985,428</u>
EXPENDITURE ON:						
Charitable activities	6	12,571	4,724,183	218,701	4,955,455	2,985,394
TOTAL EXPENDITURE		<u>12,571</u>	<u>4,724,183</u>	<u>218,701</u>	<u>4,955,455</u>	<u>2,985,394</u>
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	257,349 -	(76,633) (34,886)	4,051,686 34,886	4,232,402 -	34 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
Actuarial gains on defined benefit pension schemes	23	-	340,000	-	340,000	274,000
NET MOVEMENT IN FUNDS		<u>257,349</u>	<u>228,481</u>	<u>4,086,572</u>	<u>4,572,402</u>	<u>274,034</u>
RECONCILIATION OF FUNDS:						
Total funds brought forward		127,736	64,764	3,561,039	3,753,539	3,479,505
TOTAL FUNDS CARRIED FORWARD		<u><u>385,085</u></u>	<u><u>293,245</u></u>	<u><u>7,647,611</u></u>	<u><u>8,325,941</u></u>	<u><u>3,753,539</u></u>

The notes on pages 24 to 47 form part of these financial statements.

RAEDWALD TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08702099

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	2017 £
FIXED ASSETS				
Tangible assets	13		7,636,411	3,561,039
CURRENT ASSETS				
Stocks	14	2,132		663
Debtors	15	179,350		100,607
Cash at bank and in hand		1,762,191		930,922
		<u>1,943,673</u>		<u>1,032,192</u>
CREDITORS: amounts falling due within one year	16	(377,143)		(134,692)
NET CURRENT ASSETS			<u>1,566,530</u>	<u>897,500</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,202,941</u>	<u>4,458,539</u>
Defined benefit pension scheme liability	23		(877,000)	(705,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>8,325,941</u></u>	<u><u>3,753,539</u></u>
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	18	1,170,245		769,764
Restricted fixed asset funds	18	7,647,611		3,561,039
Restricted income funds excluding pension liability		8,817,856		4,330,803
Pension reserve		(877,000)		(705,000)
Total restricted income funds			<u>7,940,856</u>	<u>3,625,803</u>
Unrestricted income funds	18		385,085	127,736
TOTAL FUNDS			<u><u>8,325,941</u></u>	<u><u>3,753,539</u></u>

The financial statements on pages 21 to 47 were approved by the Trustees, and authorised for issue, on 31 October 2018 and are signed on their behalf, by:

Roger Fern, Chair
Chair of Trustees

The notes on pages 24 to 47 form part of these financial statements.

RAEDWALD TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	20	604,079	356,781
Cash flows from investing activities:			
Dividends, interest and rents from investments		3,425	466
Proceeds from the sale of tangible fixed assets		-	3,250
Purchase of tangible fixed assets		(68,079)	(29,601)
Capital grants from DfE and other capital income		35,261	13,964
Local authority balance received on conversion		256,583	-
Net cash provided by/(used in) investing activities		<u>227,190</u>	<u>(11,921)</u>
Change in cash and cash equivalents in the year		831,269	344,860
Cash and cash equivalents brought forward		930,922	586,062
Cash and cash equivalents carried forward		<u><u>1,762,191</u></u>	<u><u>930,922</u></u>

The notes on pages 24 to 47 form part of these financial statements.

RAEDWALD TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

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

Raedwald Trust is a private company limited by guarantee incorporated in England and Wales under the Companies Act 2006. It is registered at the following address: Parkside School, 291 Spring Road, Ipswich, Suffolk, IP4 5ND.

The financial statements have been prepared in pounds sterling and have been rounded to the nearest pound.

1.2 Fund accounting

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

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

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

RAEDWALD TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

General Annual Grant is recognised in full in the Statement of Financial Activities incorporating Income and Expenditure Account 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 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.

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

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

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

All expenditure is inclusive of irrecoverable VAT.

1.5 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 academy trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements

RAEDWALD TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold land	-	over the term of the lease being 125 years
Leasehold property	-	at various terms between 10 and 50 years straight line
Furniture and fixtures	-	10% to 20% straight line
Motor vehicles	-	10% straight line

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 incorporating Income and Expenditure Account.

1.7 Operating leases

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

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy trust; this is normally upon notification of the interest paid or payable by the Bank.

1.10 Taxation

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

1.11 Debtors

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

RAEDWALD TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.12 Cash at Bank and in hand

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

1.13 Liabilities and provisions

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

1.14 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment.

1.15 Pensions

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

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

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

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

RAEDWALD TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.16 Redundancy and termination payments

Redundancy and termination costs are recognised as an expense in the Statement of Financial Activities and a liability on the Balance Sheet immediately at the point the Academy Trust is demonstrably committed to either:

- terminate the employment of an employee or group of employees before normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The Trust is considered to be demonstrably committed only when it has a detailed formal plan for the termination and is without realistic possibility of withdrawal from the plan.

1.17 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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

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FOR THE YEAR ENDED 31 AUGUST 2018

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Assets transferred on conversion to academy	256,583	(363,000)	4,225,994	4,119,577	-
Donations	1,150	6,870	1,050	9,070	8,473
Capital Grants from ESFA	-	532,681	23,782	556,463	11,679
Capital Grants from Local Authority	-	-	19,561	19,561	-
Subtotal	<u>1,150</u>	<u>539,551</u>	<u>44,393</u>	<u>585,094</u>	<u>20,152</u>
	<u>257,733</u>	<u>176,551</u>	<u>4,270,387</u>	<u>4,704,671</u>	<u>20,152</u>
Total 2017	<u><u>8,023</u></u>	<u><u>450</u></u>	<u><u>11,679</u></u>	<u><u>20,152</u></u>	

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3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,692,761	1,692,761	1,255,228
Other DfE/ESFA grants	-	72,233	72,233	115,643
Start up grant	-	50,000	50,000	25,000
	<u>-</u>	<u>1,814,994</u>	<u>1,814,994</u>	<u>1,395,871</u>
Other government grants				
Local authority grants	-	2,646,664	2,646,664	1,538,486
	<u>-</u>	<u>2,646,664</u>	<u>2,646,664</u>	<u>1,538,486</u>
Other funding				
Catering income	4,352	-	4,352	2,558
Income from other schools	-	5,300	5,300	20,400
	<u>4,352</u>	<u>5,300</u>	<u>9,652</u>	<u>22,958</u>
	<u>4,352</u>	<u>4,466,958</u>	<u>4,471,310</u>	<u>2,957,315</u>
	<u><u>2,558</u></u>	<u><u>2,954,757</u></u>	<u><u>2,957,315</u></u>	
Total 2017				

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Rental Income	2,305	-	2,305	1,435
Other Income	2,105	4,041	6,146	3,945
Music lessons	-	-	-	2,115
	<u>4,410</u>	<u>4,041</u>	<u>8,451</u>	<u>7,495</u>
	<u><u>5,380</u></u>	<u><u>2,115</u></u>	<u><u>7,495</u></u>	
Total 2017				

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

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank Interest	3,425	-	3,425	466
Total 2017	466	-	466	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Provision of Education:					
Direct costs	3,017,182	-	428,332	3,445,514	2,162,213
Support costs	610,748	102,828	796,365	1,509,941	823,181
	3,627,930	102,828	1,224,697	4,955,455	2,985,394
Total 2017	2,304,147	151,215	530,032	2,985,394	

In 2018, of the total expenditure, £12,571 (2017: £39,148) was to unrestricted funds, £4,724,183 (2017: £2,816,106) was to restricted funds and £218,701 (2017: £130,140) was to restricted fixed asset funds.

7. CHARITABLE ACTIVITIES

	2018 £	2017 £
Direct costs - educational operations	3,445,514	2,162,213
Support costs - educational operations	1,509,941	823,181
Total	4,955,455	2,985,394

	2018 £	2017 £
Analysis of support costs		
Support staff costs	610,948	467,967
Depreciation	218,699	127,219
Technology costs	9,906	9,561
Premises costs	102,828	36,491
Other support costs	545,455	170,615
Governance costs	15,105	11,328
Total	1,502,941	823,181

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

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	218,701	127,218
Auditors' remuneration - audit	8,365	5,400
Auditors' remuneration - other services	7,325	5,915
Operating lease rentals	3,687	3,786
	237,783	142,319

9. CENTRAL SERVICES

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

- Human resources
- Financial services
- Educational support services

The trust charges for these services on the following basis:

Central costs are charged to each academy based on a weighting of each academy's GAG income.

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
Parkside Academy	141,808	162,499
Westbridge Academy	43,175	46,647
Alderwood Academy	45,104	-
St Christophers Academy	41,130	-
First Base Ipswich Academy	26,299	-
	297,516	209,146
Total		

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

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	2,710,928	1,699,956
Social security costs	236,136	145,890
Operating costs of defined benefit pension schemes	635,999	433,473
	3,583,063	2,279,319
Agency staff costs	33,618	15,428
Staff restructuring costs	11,249	9,400
	3,627,930	2,304,147

Staff restructuring costs comprise:

	2018 £	2017 £
Severance payments	11,249	9,400
	11,249	9,400

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

Included in staff restructuring costs are severance payments totalling £11,249. This amount is made up of one non-statutory, non-contractual severance payment totalling £8,000 paid on 13 October 2017 and one non-statutory, contractual payment totalling £3,249 paid on 31 October 2018. In 2017, there were two non-statutory, non-contractual amounts of £7,400 and £2000.

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	48	32
Administration and support	68	43
Management	8	7
	124	82
	124	82

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	33	19
Administration and support	43	27
Management	7	6
	83	52
	83	52

No employee received remuneration amounting to more than £60,000 in either year.

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

10. STAFF COSTS (continued)

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £407,411 (2017: £511,928).

Included in the above are employer pension contributions of £53,327 (2017: £62,797).

11. TRUSTEES' REMUNERATION AND EXPENSES

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

		2018	2017
		£	£
David Siddall	Remuneration	30,000-35,000	25,000-30,000
	Pension contributions paid	5,000-10,000	0-5,000
Stuart Bailey	Remuneration	30,000-35,000	25,000-30,000
	Pension contributions paid	Nil	Nil
Sally Swann	Remuneration	N/A	35,000-40,000
	Pension contributions paid	N/A	5,000-10,000
Sharon Williets	Remuneration	N/A	25,000-30,000
	Pension contributions paid	N/A	5,000-10,000

During the year ended 31 August 2018, expenses totalling £594 (2017 - £1,458) were reimbursed to 2 Trustees (2017 - 4).

12. TRUSTEES' AND OFFICERS' INSURANCE

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

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

13. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2017	3,546,784	14,999	53,141	122,272	3,737,196
Additions	26,329	-	22,685	19,065	68,079
Transfers on conversion	4,127,666	29,333	33,725	35,270	4,225,994
	<u>7,700,779</u>	<u>44,332</u>	<u>109,551</u>	<u>176,607</u>	<u>8,031,269</u>
Depreciation					
At 1 September 2017	118,964	2,400	10,991	43,802	176,157
Charge for the year	171,969	3,322	9,908	33,502	218,701
	<u>290,933</u>	<u>5,722</u>	<u>20,899</u>	<u>77,304</u>	<u>394,858</u>
Net book value					
At 31 August 2018	<u>7,409,846</u>	<u>38,610</u>	<u>88,652</u>	<u>99,303</u>	<u>7,636,411</u>
At 31 August 2017	<u>3,427,820</u>	<u>12,599</u>	<u>42,150</u>	<u>78,470</u>	<u>3,561,039</u>

14. STOCKS

	2018 £	2017 £
School uniforms	2,132	663
	<u>2,132</u>	<u>663</u>

15. DEBTORS

	2018 £	2017 £
VAT recoverable	33,768	77,320
Prepayments and accrued income	145,582	23,287
	<u>179,350</u>	<u>100,607</u>

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16. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	107,720	31,735
Other taxation and social security	61,239	37,202
Other creditors	62,933	38,887
Accruals	145,251	26,868
	<u>377,143</u>	<u>134,692</u>

17. FINANCIAL INSTRUMENTS

	2018	2017
	£	£
Financial assets measured at amortised cost	<u>1,891,958</u>	<u>938,913</u>
Financial liabilities measured at amortised cost	<u>315,904</u>	<u>97,490</u>

Financial assets measured at amortised cost comprise of accrued income and cash balances.

Financial liabilities measured at amortised cost comprise of trade creditors, amounts payable to pension schemes and unions and accruals.

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NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	127,736	269,920	(12,571)	-	-	385,085
Restricted funds						
General Annual Grant (GAG)	119,310	1,692,761	(1,687,105)	46,194	-	171,160
Other DfE/ESFA Grants	74,450	13,084	(87,534)	-	-	-
Start up Grants	15,104	50,000	(41,504)	-	-	23,600
Other government grants	560,900	2,646,664	(2,549,366)	(81,080)	-	577,118
Pupil Premium	-	59,149	(59,149)	-	-	-
Other restricted funds	-	16,211	(11,911)	-	-	4,300
CIF Income - not capitalised	-	532,681	(138,614)	-	-	394,067
Pension reserve	(705,000)	(363,000)	(149,000)	-	340,000	(877,000)
	<u>64,764</u>	<u>4,647,550</u>	<u>(4,724,183)</u>	<u>(34,886)</u>	<u>340,000</u>	<u>293,245</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	3,546,824	4,225,994	(215,673)	33,160	-	7,590,305
DfE/ESFA Capital grants	-	23,782	-	(18,602)	-	5,180
Capital expenditure from GAG	14,215	-	(2,993)	34,886	-	46,108
Capital grants from other government funding	-	19,561	-	(13,543)	-	6,018
Capital donations	-	1,050	(35)	(1,015)	-	-
	<u>3,561,039</u>	<u>4,270,387</u>	<u>(218,701)</u>	<u>34,886</u>	<u>-</u>	<u>7,647,611</u>
Total restricted funds	<u>3,625,803</u>	<u>8,917,937</u>	<u>(4,942,884)</u>	<u>-</u>	<u>340,000</u>	<u>7,940,856</u>
Total of funds	<u><u>3,753,539</u></u>	<u><u>9,187,857</u></u>	<u><u>(4,955,455)</u></u>	<u><u>-</u></u>	<u><u>340,000</u></u>	<u><u>8,325,941</u></u>

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

General Annual Grant

This represents funding from the ESFA to cover the costs of recurrent expenditure.

The transfer from GAG relates to the contribution from GAG funding towards the purchase of capital assets during the year.

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

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

18. STATEMENT OF FUNDS (continued)

Start up Grant

This represents a grant to aid with start up costs for a new academy on conversion into the Trust.

Other government grants

This represents other funding from the government towards the provision of education.

Pupil premium

This represents funding to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

Other restricted

This represents funding received from other bodies towards a specific purpose.

Capital donations

This represents donations received from other bodies towards a specific purpose.

Pension reserve

This fund represents the Academy's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the academy on conversion from a state controlled school.

The restricted pension fund is materially in deficit and plans to eliminate the liability on the defined benefit pension scheme are set out in note 23 based on the period end actuarial valuation.

Restricted fixed asset fund

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

Devolved Formula Capital (DFC) fund

The Academy Trust is to use the DFC allocation to maintain and improve its buildings and facilities.

Condition Improvement Fund (CIF)

The Academy Trust is to use the CIF income to address significant condition need, keeping academy buildings safe and in good working order.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Raedwald Trust	224,338	192,994
Parkside Academy	911,918	626,443
Westbridge Academy	4,467	78,063
Alderwood Academy	303,994	-
St Christophers Academy	85,785	-
First Base Ipswich Academy	24,828	-
	<u>1,555,330</u>	<u>897,500</u>
Total before fixed asset fund and pension reserve		
Restricted fixed asset fund	7,647,611	3,561,039
Pension reserve	(877,000)	(705,000)
	<u>8,325,941</u>	<u>3,753,539</u>
Total		

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £	Total 2017 £
Parkside Academy	1,368,561	311,567	199,593	188,292	2,068,013	1,971,402
Westbridge Academy	492,860	46,636	111,876	44,833	696,205	659,451
St Christophers Academy	245,084	61,475	85,325	146,525	538,409	-
First Base Ipswich Academy	202,225	86,189	15,607	67,379	371,400	-
Alderwood Academy	410,412	55,432	44,347	70,888	581,079	-
Raedwald Trust	196,444	132,176	6,180	146,848	481,648	224,402
	<u>2,915,586</u>	<u>693,475</u>	<u>462,928</u>	<u>664,765</u>	<u>4,736,754</u>	<u>2,855,255</u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
Unrestricted funds	150,457	16,427	(39,148)	-	-	127,736
Restricted funds						
General Annual Grant (GAG)	75,943	1,255,228	(1,196,224)	(15,637)	-	119,310
Other DfE/ESFA Grants	-	77,174	(2,724)	-	-	74,450
Start up Grants	-	25,000	(9,896)	-	-	15,104
Other government grants	454,242	1,538,486	(1,431,828)	-	-	560,900
Pupil Premium	-	38,469	(38,469)	-	-	-
Other restricted funds	-	22,965	(22,965)	-	-	-
Pension reserve	(865,000)	-	(114,000)	-	274,000	(705,000)
	<u>(334,815)</u>	<u>2,957,322</u>	<u>(2,816,106)</u>	<u>(15,637)</u>	<u>274,000</u>	<u>64,764</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	3,661,578	-	(128,718)	13,964	-	3,546,824
DfE/ESFA Capital grants	2,285	11,679	-	(13,964)	-	-
Capital expenditure from GAG	-	-	(1,422)	15,637	-	14,215
	<u>3,663,863</u>	<u>11,679</u>	<u>(130,140)</u>	<u>15,637</u>	<u>-</u>	<u>3,561,039</u>
Total restricted funds	<u>3,329,048</u>	<u>2,969,001</u>	<u>(2,946,246)</u>	<u>-</u>	<u>274,000</u>	<u>3,625,803</u>
Total of funds	<u><u>3,479,505</u></u>	<u><u>2,985,428</u></u>	<u><u>(2,985,394)</u></u>	<u><u>-</u></u>	<u><u>274,000</u></u>	<u><u>3,753,539</u></u>

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

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	7,636,411	7,636,411
Current assets	385,085	1,547,388	11,200	1,943,673
Creditors due within one year	-	(377,143)	-	(377,143)
Provisions for liabilities and charges	-	(877,000)	-	(877,000)
	<u>385,085</u>	<u>293,245</u>	<u>7,647,611</u>	<u>8,325,941</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	3,561,039	3,561,039
Current assets	127,736	904,456	-	1,032,192
Creditors due within one year	-	(134,692)	-	(134,692)
Provisions for liabilities and charges	-	(705,000)	-	(705,000)
	<u>127,736</u>	<u>64,764</u>	<u>3,561,039</u>	<u>3,753,539</u>

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

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	4,232,402	34
Adjustment for:		
Depreciation charges	218,701	127,218
Dividends, interest and rents from investments	(3,425)	(466)
Profit on the sale of fixed assets	-	(328)
Increase in stocks	(1,469)	(302)
(Increase) / decrease in debtors	(78,743)	105,710
Increase / (decrease) in creditors	242,451	24,879
Capital grants from DfE and other capital income	(35,261)	(13,964)
Defined benefit pension scheme obligation inherited	363,000	-
Defined benefit pension scheme cost less contributions payable	149,000	114,000
Net assets from local authority on conversion	(4,482,577)	-
Net cash provided by operating activities	<u>604,079</u>	<u>356,781</u>

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

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	1,762,191	930,922
Total	1,762,191	930,922

22. CONVERSION TO AN ACADEMY TRUST

Alderwood Academy

On 1 September 2017 Alderwood Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Raedwald Trust from Suffolk County Council for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities incorporating Income and Expenditure Account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities incorporating Income and Expenditure Account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	2,405,086	2,405,086
- Other tangible fixed assets	-	-	65,510	65,510
Budget surplus/(deficit) on LA funds	216,843	-	-	216,843
Net assets/(liabilities)	216,843	-	2,470,596	2,687,439

The above net assets include £216,843 that were transferred as cash.

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NOTES TO THE FINANCIAL STATEMENTS
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First Base Ipswich Academy

On 1 November 2017 First Base Ipswich Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Raedwald Trust from Suffolk County Council for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities incorporating Income and Expenditure Account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities incorporating Income and Expenditure Account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	-
Freehold/leasehold land and buildings	-	-	751,299	751,299
Other tangible fixed assets	-	-	9,684	9,684
Budget surplus/(deficit) on LA funds	38,620	-	-	38,620
Total	38,620	-	760,983	799,603

The above net assets include £38,620 that were transferred as cash.

St Christopher's Academy

On 1 December 2017 St Christophers Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Raedwald Trust from Suffolk County Council for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net loss in the Statement of Financial Activities incorporating Income and Expenditure Account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities incorporating Income and Expenditure Account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	-
Freehold/leasehold land and buildings	-	-	971,281	971,281
Other tangible fixed assets	-	-	23,134	23,134
Budget surplus/(deficit) on LA funds	1,120	-	-	1,120
Total	1,120	-	994,415	995,535

The above net assets include £1,120 that were transferred as cash.

The combined LGPS pension deficit transferred on the conversion for Alderwood, First Base and St Christopher's was £363,000.

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23. PENSION COMMITMENTS

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

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

Contributions amounting to £62,085 were payable to the schemes at 31 August 2018 (2017 - £38,864) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £256,023 (2017 - £158,925).

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

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

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23. PENSION COMMITMENTS (continued)

trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £310,976 (2017 - £217,157), of which employer's contributions totalled £256,976 (2017 - £179,548) and employees' contributions totalled £54,000 (2017 - £37,609). The agreed contribution rates for future years are 23% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.60 %	2.70 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %
Commutation of pensions to lump sums	25.00 %	25.00 %

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

	2018	2017
Retiring today		
Males	21.9	21.9
Females	24.4	24.4
Retiring in 20 years		
Males	23.9	23.9
Females	26.4	26.4

Sensitivity Movement	At 31 August	At 31 August
	2018	2017
	£	£
Discount rate +0.1%	(75,236)	(40,014)
Discount rate -0.1%	75,236	40,014
Mortality assumption - 1 year increase	21,496	12,312
Mortality assumption - 1 year decrease	(21,496)	(12,312)
CPI rate +0.1%	59,114	30,780
CPI rate -0.1%	(59,114)	(30,780)

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

23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,122,000	567,120
Bonds	489,000	175,140
Property	181,000	83,400
Cash and other liquid assets	18,000	8,340
	<u>1,810,000</u>	<u>834,000</u>
Total market value of assets	<u>1,810,000</u>	<u>834,000</u>

The actual return on scheme assets was £80,000 (2017 - £78,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018 £	2017 £
Current service cost	(382,000)	(275,000)
Interest income	37,000	14,000
Interest cost	(63,000)	(33,000)
	<u>(408,000)</u>	<u>(294,000)</u>
Total	<u>(408,000)</u>	<u>(294,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	1,539,000	1,403,000
Upon conversion	946,000	-
Current service cost	382,000	275,000
Interest cost	63,000	33,000
Contributions by employees	54,000	38,000
Actuarial gains	(297,000)	(210,000)
	-	-
	<u>2,687,000</u>	<u>1,539,000</u>
Closing defined benefit obligation	<u>2,687,000</u>	<u>1,539,000</u>

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23. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	834,000	538,000
Upon conversion	583,000	-
Interest income	37,000	14,000
Actuarial gains/(losses)	43,000	64,000
Employer contributions	259,000	180,000
Contributions by employees	54,000	38,000
	<u>1,810,000</u>	<u>834,000</u>
Closing fair value of scheme assets	<u>1,810,000</u>	<u>834,000</u>

24. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	708	3,156
Between 1 and 5 years	177	2,469
	<u>885</u>	<u>5,625</u>
Total	<u>885</u>	<u>5,625</u>

25. RELATED PARTY TRANSACTIONS

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

During the prior year, consultancy services were provided by Siddall Education Consultancy, a company which is related to the trustee Mr D Siddall. The amount charged to Raedwald Trust was £1,200. No such amount was charged in the year ended 31 August 2018. There were no amounts due at either year end.

26. MEMBERS' LIABILITY

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