

**RAEDWALD TRUST**  
**(A Company Limited by Guarantee)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**RAEDWALD TRUST**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Members**

Alan Whittaker  
Anthony Houghton  
Andrew Solomon (resigned 27 June 2019)  
Cath Kitchen (appointed 19 March 2019)  
Craig D'Cunha (appointed 2 May 2019)  
Deborah Wilson (appointed 26 June 2019)

**Trustees**

Roger Fern, Chair  
Stephen Hardman (resigned 4 July 2019)  
Elizabeth Harsant (resigned 14 November 2018)  
Anna Hennell James  
Christine Walters  
Craig D'Cunha  
Angela Ransby, Chief Executive (appointed 1 September 2018)  
Thomas Minnican (appointed 24 September 2018)  
Colin Kriedewolfe (appointed 2 May 2019)  
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**

Angela Ransby, CEO and Accounting Officer  
Carey Fish, Head Teacher  
Trudy Read, Head Teacher  
Sally Swann, Head Teacher  
Mark Winston, Head Teacher  
Claire Hargrave, Head Teacher  
Angela O'Rourke, Head Teacher

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**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 2019**

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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 2019. 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 and one AP Academy serving Bury St Edmunds. The Academies have a combined capacity of 190 and had a roll of 190 in the 2019 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
- First Base Bury St Edmunds AP Academy – converted and joined the Trust on 01/02/2019

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). Until August 2019, each Academy had appointed Local Governing Bodies (LGB) who had some decision making powers. The Trust Board delegates some decisions to their committees including the Headteacher Executive Group. In September 2019, the Trust Board replaced LGBs with a single Learning and Education Committee (LEC).

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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**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.

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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

The Trust has a leadership structure, whose aim is to devolve responsibility and encourage involvement and decision making at all levels.

The revised Scheme of Delegation (June 2018) 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.

**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.

Teachers' contracts in the financial year are based on the 2018 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.

**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.

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**TRUSTEES' REPORT (CONTINUED)**  
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## **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 and West 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 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 work closely with families and outside agencies to achieve the aims above.

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

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

- First Base Bury St Edmunds converting to the Trust on 1st February 2019, and the extension of outreach services
- 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 continuing to identify through Heads' associations what other schools might wish for, such as increasing provision for medical cases and supporting primaries with challenging circumstances.
- 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.
- Strategically the CEO is looking to enhance practice across the Trust through the further development of the Pedagogical Lead role, Work Experience and Work Related Learning Lead, and Safeguarding Team 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.



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**TRUSTEES' REPORT (CONTINUED)**  
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## **STRATEGIC REPORT**

### **Achievements and Performance**

Achievement and performance are outlined on each academy website and presented by each academy head through the Heads Executive Group.

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 2018-19 was 99% 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.

Specific achievements were as follows:

- Exams analysis by each academy is undertaken and this year's results were strong 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.
- Two Academies reflecting 4 sites achieved a 'good' rating in their Ofsted Inspections

### **Key Performance Indicators**

In 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 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 2018-19 were 190 against a forecast of 190.

Another key financial performance indicator is staffing costs as a percentage of total income (excluding amounts received on conversion). For 2018/19 this was 74%. The Trustees are confident that staffing levels are closely monitored to agreed Full Time Equivalents and staffing structures all approved by the TB. The Trust successfully restructured all staff during 2018/19.

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.

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**TRUSTEES' REPORT (CONTINUED)**  
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**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 2019 the Trust received total income of £6,491,218, of which £5,560,324 related to GAG and other funding, and £930,894 related to income on conversion of the school 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 £6,115,650 on expenditure. The fixed asset fund at 31 August 2019 totalled £8,354,756.

The Trust brought forward from 17/18, £1,170,245 of restricted funds excluding pension reserve and £385,085 of unrestricted funding. The carryforward for 18/19 is £895,812 of restricted funding excluding pension reserve and £490,941 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 £1,643,00. 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.

**GAG Pooling**

The trust has decided to carry out GAG pooling as outlined in the Academies Financial Handbook. The trust has decided to pool its reserves, high needs funding from the local authority & place funding from the ESFA. The purpose of this GAG pooling is to secure the long-term financial sustainability of the trust. This will also enable the trust to fund projects across the trust to support school improvement. It also offers greater efficiency savings across the trust through further centralisation.

**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 January 2019.

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 £490,941. 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 2019 was £1,386,753.

The cash balance of the Trust has been very healthy all year, ending the year with a balance at the year end of £1,627,036. 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 2019/20, and following this review some of the Trust's reserves will be utilised to further implement the new ICT strategy.

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**TRUSTEES' REPORT (CONTINUED)**  
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**Investment Policy**

An investment policy was approved by the TB in January 2019.

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;

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**TRUSTEES' REPORT (CONTINUED)**  
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- 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.

**PLANS FOR FUTURE PERIODS**

The vision of the Trust was to incorporate remaining Pupil Referral Units of South Suffolk into the MAT was achieved allowing the Trust to expand into the Western area. 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. As an approved Academy Sponsor, the Trust is looking at ways it can extend its impact to positively benefit other settings.

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.

**Fundraising**

The Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

**AUDITORS**

Insofar as the Trustees are aware:

- o there is no relevant audit information of which the Charitable Company's Auditor is unaware, and
- o 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 2019 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 Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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 5 times during the year, but also attended a Trust Strategy session for Trustees and staff in September 2018.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Roger Fern, Chair	5	5
Stephen Hardman	0	0
Elizabeth Harsant	0	0
Anna Hennell James	5	5
Christine Walters	3	5
Craig D'Cunha	4	5
Angela Ransby, Chief Executive	5	5
Thomas Minnican	4	5
Colin Kriedewolfe	0	0
Jonathan Reed	2	4

During the 2018/19 Academic Year, the Trust Board agreed some key changes to the governance structure. Firstly the recruitment of further members and trustees to ensure there were no gaps in skill sets. This was achieved, and in readiness for the new Academic Year 2019/20, the Board has a full complement of Trustees and Members.

The Scheme of Delegation was reviewed in June 2018 and again in December 2018 to reintroduce a Finance and Audit Sub Committee.

All Local Governing Body meetings during 2018/19 were professionally clerked, however, attendance by members of the local governing bodies reduced.

During the year 2 academies were inspected across 4 sites.

The Trust Board as a result of reviewing the local governing body effectiveness, the inspection experience and feedback, agreed to establish a new Sub Committee called the Learning & Education Committee which would focus on the Quality of Education and Performance of each academy site. The Sub Committee would be made up of local governors and a linked Trustee offering both local knowledge and a broader strategic view of the impact on the Trust for the local academies.

The membership of the committee would comprise of the local headteacher, linked Trustee and 1 or more local governors. The committee would initially meet twice a term presenting information about each academy but also focussing on 2 academies a Term in more detail.

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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

For the rest of the term, the governors/trustees attending would need to visit their school twice a term focussing on Strengths and Areas for development, and gaining views from pupils, staff and parents. Over time governors/trustees would visit another local academy site within the Trust to share good practice with colleagues and promote system leadership across the Trust.

This structure would mean that those governors who were able to support their local academy would remain as co-opted members of the Trust's Sub Committee, but would not need to meet formally as a local governing body each term. As a Trust we are conscious that for some local governing bodies, they would want to remain as a larger group of governors of say 5+ meeting during the term, but the group would be called academy councils, with no requirements for formal minutes, etc.

The Trust felt that this new approach was a collective response to governance from a local and strategic perspective.

The Finance Committee is a sub-committee of the main board of Trustees. Its purpose is to provide guidance to the trust board and CEO on all finance, staffing and premises related matters, and to advise the Trust Board and Accounting Officer on the adequacy and effectiveness of the Academy Trust's governance, risk management, internal control and value for money systems and frameworks.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Roger Fern, Chair	2	2
Angela Ransby, Chief Executive	2	2
Thomas Minnican	1	2

**Review of value for money**

As accounting officer, the Chief Executive Officer 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 carrying out the following:

- A new whole trust property management package has been in place for 2018/19 which has reduced the costs for the trust as a whole, compared with the individual school contracts which were used previously;
- Human Resources provider has been moved to a different supplier during the year but for a similar cost but the new supplier will also provide legal advice on any subject (not just human resources) for no additional fee; and
- A new whole trust IT support contract was put in place for 2018/19 which has reduced the IT support costs for the trust as a whole & has helped to have a better co-ordinated & more efficient approach to IT across the trust as a whole.

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**GOVERNANCE STATEMENT (CONTINUED)**

**The purpose of the system of internal control**

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

**Capacity to handle risk**

The 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the 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

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Schools Choice as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included both transactional & process testing. Core transactional testing was undertaken which covered a sample of payroll and income transactions, orders/payments and bank reconciliations. In addition, the monitoring reports produced for trustees were checked to ensure there are adequate budgetary control arrangements, and that expenditure against the budget was on target. Following the outcomes of the transactional testing, the audit will focus the remainder of the visit on further testing any risks identified in the transactional testing.

**RAEDWALD TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**The risk and control framework (continued)**

The areas which were covered included:

- Inventory and security
- Annual accounts and audit
- Payroll
- Purchasing
- Income controls
- Payments and withdrawals
- Governance
- Risk management
- Budget setting
- Planning cycle and development plan
- Monitoring and review
- Tax
- Assets
- Insurance
- Data security

On an annual basis, the internal auditor reports to the board of Trustees through the finance committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of the internal auditor's work.

**Review of effectiveness**

As accounting officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- 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 finance committee 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 and signed on their behalf by:

Roger Fern  
Chair of Trustees  
Date: 31 October 2019

Angela Ransby  
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 2018.

I confirm that I and the academy trust board of Trustees are able to identify any material irregular or improper use of all 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 2018.

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



Angela Ransby  
Accounting Officer  
Date: 31 October 2019

**RAEDWALD TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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 Academies Accounts Direction published 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 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees and signed on its behalf by:

Roger Fern  
Chair of Trustees  
Date: 31 October 2019

**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 2019 which comprise the Statement of Financial Activities, 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 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 (CONTINUED)**

**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. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 (CONTINUED)**

**Responsibilities of trustees**

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

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

**Auditors' responsibilities for the audit of the financial statements**

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

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

**Use of our report**

This report is made solely to the 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

John Warren BSc 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

13 December 2019

**RAEDWALD TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S 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 2018 to 2019, 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 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 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 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 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**RAEDWALD TRUST**  
**(A Company Limited by Guarantee)**

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

**Approach**

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

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

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

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

The work undertaken to draw our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance
- Consideration and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Academy Trust, extending the procedures required for financial statements to include regularity, propriety and compliance
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

**Conclusion**

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

**Reporting Accountant**

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

Date: 13 December 2019

**RAEDWALD TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants:	3					
Assets transferred on conversion		98,459	(36,000)	868,435	930,894	4,119,577
Other donations and capital grants		486	4,713	135,178	140,377	585,094
Charitable activities	4	43,109	5,364,670	-	5,407,779	4,471,310
Other trading activities	5	11,246	-	-	11,246	8,451
Investments	6	922	-	-	922	3,425
<b>Total income</b>		<u>154,222</u>	<u>5,333,383</u>	<u>1,003,613</u>	<u>6,491,218</u>	<u>9,187,857</u>
<b>Expenditure on:</b>						
Charitable activities	7	44,993	5,816,237	254,420	6,115,650	4,955,455
<b>Total expenditure</b>		<u>44,993</u>	<u>5,816,237</u>	<u>254,420</u>	<u>6,115,650</u>	<u>4,955,455</u>
<b>Net income/ (expenditure)</b>		<u>109,229</u>	<u>(482,854)</u>	<u>749,193</u>	<u>375,568</u>	<u>4,232,402</u>
Transfers between funds	19	(3,373)	45,421	(42,048)	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<u>105,856</u>	<u>(437,433)</u>	<u>707,145</u>	<u>375,568</u>	<u>4,232,402</u>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	25	-	(603,000)	-	(603,000)	340,000
<b>Net movement in funds</b>		<u>105,856</u>	<u>(1,040,433)</u>	<u>707,145</u>	<u>(227,432)</u>	<u>4,572,402</u>



**RAEDWALD TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Note					
<b>Reconciliation of funds:</b>					
Total funds brought forward	385,085	293,245	7,647,611	8,325,941	3,753,539
Net movement in funds	105,856	(1,040,433)	707,145	(227,432)	4,572,402
<b>Total funds carried forward</b>	<u>490,941</u>	<u>(747,188)</u>	<u>8,354,756</u>	<u>8,098,509</u>	<u>8,325,941</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 26 to 54 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	14	8,348,170	7,636,411
<b>Current assets</b>			
Stocks	15	2,002	2,132
Debtors	16	218,013	179,350
Cash at bank and in hand		1,627,036	1,762,191
		1,847,051	1,943,673
Creditors: amounts falling due within one year	17	(453,712)	(377,143)
		1,393,339	1,566,530
<b>Net current assets</b>			
		1,393,339	1,566,530
<b>Total assets less current liabilities</b>		9,741,509	9,202,941
<b>Net assets excluding pension liability</b>		9,741,509	9,202,941
Defined benefit pension scheme liability	25	(1,643,000)	(877,000)
		8,098,509	8,325,941
<b>Total net assets</b>		8,098,509	8,325,941
 <b>Funds of the academy trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	19	8,354,756	7,647,611
Restricted income funds	19	895,812	1,170,245
		9,250,568	8,817,856
Restricted funds excluding pension asset	19	9,250,568	8,817,856
Pension reserve	19	(1,643,000)	(877,000)
		7,607,568	7,940,856
<b>Total restricted funds</b>		7,607,568	7,940,856
<b>Unrestricted income funds</b>		490,941	385,085
		8,098,509	8,325,941
<b>Total funds</b>		8,098,509	8,325,941

The financial statements on pages 22 to 54 were approved by the Trustees, and authorised for issue on 31 October 2019 and are signed on their behalf, by:

Roger Fern  
Chair of Trustees

The notes on pages 26 to 54 form part of these financial statements.

**RAEDWALD TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	21	(188,206)	604,079
<b>Cash flows from investing activities</b>	22	53,051	227,190
<b>Change in cash and cash equivalents in the year</b>		(135,155)	831,269
Cash and cash equivalents at the beginning of the year		1,762,191	930,922
<b>Cash and cash equivalents at the end of the year</b>	23	<u>1,627,036</u>	<u>1,762,191</u>

The notes on pages 26 to 54 form part of these financial statements

**RAEDWALD TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**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 historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Raedwald Trust meets the definition of a public benefit entity under 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 are presented in sterling which is the functional currency of the company and rounded to the nearest £.

**1.2 Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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 2019**

**1. Accounting policies (continued)**

**1.3 Income**

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

• **Transfer on conversion**

Where assets and liabilities are received by the academy 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 risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

**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.

• **Charitable activities**

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

**RAEDWALD TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**1.4 Expenditure (continued)**

All resources expended are inclusive of irrecoverable VAT.

**1.5 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 institution with whom the funds are deposited.

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

**1.7 Tangible fixed assets**

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

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

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

Depreciation is provided 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
Fixtures and equipment	- 10% to 20% straight line
Computer equipment	- 10% to 20% straight line
Motor vehicles	- 10% straightline

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.

**RAEDWALD TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**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 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.

**1.10 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.

**1.11 Liabilities**

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

**1.12 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 bases 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 18. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.13 Operating leases**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**1.14 Pensions**

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

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1.15 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.



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**1.16 Conversion to an academy trust**

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from First Base Bury Academy to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 24.

**1.17 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 the funders where the asset acquired or created is held for a specific purpose.

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

Investment income, gains and losses are allocated to the appropriate fund.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**2. 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation is an estimate based on the useful economic life of the assets.

Assets on conversion in the financial statements, included as income in the financial year and as fixed assets on the balance sheet, have been valued by an independent 3rd party.

There were no judgments used in the preparation of the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**3. Income from donations and capital grants**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Donations</b>				
Assets transferred on conversion	98,459	832,435	930,894	4,119,577
Other donations	486	4,713	5,199	9,070
<b>Total donations</b>	<u>98,945</u>	<u>837,148</u>	<u>936,093</u>	<u>4,128,647</u>
Capital Grants from ESFA	-	125,399	125,399	556,463
Other capital grants	-	9,779	9,779	19,561
<b>Total grants</b>	<u>-</u>	<u>135,178</u>	<u>135,178</u>	<u>576,024</u>
	<u>98,945</u>	<u>972,326</u>	<u>1,071,271</u>	<u>4,704,671</u>
Total 2018	<u>257,733</u>	<u>4,446,938</u>	<u>4,704,671</u>	

In 2018, income transferred on conversion was £4,119,577, of which £256,583 was unrestricted, £(363,000) restricted and £4,225,994 restricted fixed assets.

In 2018, income from donations was £9,070, of which £1,150 was unrestricted, £6,870 was restricted and £1,050 was restricted fixed assets.

In 2018, income from capital grants was £576,024, of which £532,681 was restricted and £43,343 was restricted fixed assets.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**4. Funding for the academy trust's provision of education**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2018 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	1,870,264	1,870,264	1,692,761
Other DfE/ESFA grants	-	72,859	72,859	72,233
Start up grant	-	-	-	50,000
	-	<u>1,943,123</u>	<u>1,943,123</u>	<u>1,814,994</u>
<b>Other government grants</b>				
Local authority grants	17,360	3,389,021	3,406,381	2,646,664
	<u>17,360</u>	<u>3,389,021</u>	<u>3,406,381</u>	<u>2,646,664</u>
<b>Other funding</b>				
Catering income	3,745	-	3,745	4,352
Income from other schools	725	32,526	33,251	5,300
Other income	21,279	-	21,279	-
	<u>43,109</u>	<u>5,364,670</u>	<u>5,407,779</u>	<u>4,471,310</u>
Total 2018	<u>4,352</u>	<u>4,466,958</u>	<u>4,471,310</u>	

In 2018, income from DfE/ESFA grants was £1,814,994 which was all restricted.

In 2018, income from other government grants was £2,646,664 which was all restricted.

In 2018, other income from the academy trust's educational operations amounted to £9,652 of which £4,352 was unrestricted and £5,300 was restricted.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**5. Income from other trading activities**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Rental Income	6,741	-	6,741	2,305
Other Income	4,505	-	4,505	6,146
	<u>11,246</u>	<u>-</u>	<u>11,246</u>	<u>8,451</u>
Total 2018	<u>4,410</u>	<u>4,041</u>	<u>8,451</u>	

In 2018, income from rental and other sources was £8,451, of which £4,410 was unrestricted and £4,041 was restricted.

**6. Investment income**

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	922	922	3,425

In 2018, all investment income was in relation to unrestricted funds.

**7. Expenditure**

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Provision of Education:					
Direct costs	3,479,462	-	639,970	4,119,432	3,445,514
Allocated support costs	632,583	120,411	1,243,224	1,996,218	1,509,941
	<u>4,112,045</u>	<u>120,411</u>	<u>1,883,194</u>	<u>6,115,650</u>	<u>4,955,455</u>
Total 2018	<u>3,627,930</u>	<u>102,828</u>	<u>1,224,697</u>	<u>4,955,455</u>	

**RAEDWALD TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**7. Expenditure (continued)**

In 2018, direct expenditure consisted of £3,017,182 staff costs and £428,332 other costs.

In 2018, support expenditure consisted of £610,748 staff costs, £102,828 premises costs and £796,365 other costs.

In 2019, of the total expenditure, £44,993 (2018: £12,571) was to unrestricted funds, £5,816,237 (2018: £4,724,183) was to restricted funds and £254,420 (2018: £218,701) was to restricted fixed asset funds.

**8. Charitable Activities**

	2019 £	2018 £
Direct costs - educational operations	4,119,432	3,445,514
Support costs - educational operations	1,996,218	1,509,941
	6,115,650	4,955,455

**Analysis of support costs**

	2019 £	2018 £
Support staff costs	632,583	610,948
Depreciation	254,420	218,699
Technology costs	1,295	9,906
Premises costs	120,411	102,828
Other support costs	971,194	552,455
Governance costs	16,315	15,105
	1,996,218	1,509,941

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2019	2018
	£	£
Operating lease rentals	708	3,687
Depreciation of tangible fixed assets	254,420	218,701
Fees paid to auditors for:		
- Audit	9,975	8,365
- Other services	6,340	7,325
	6,340	7,325

**10. Central services**

During the financial year, the trustees took the decision to pool GAG. Because of this, no central recharges were made to the academies within the Trust.

**11. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019	2018
	£	£
Wages and salaries	3,034,521	2,710,928
Social security costs	268,340	236,136
Pension costs	692,216	635,999
	3,995,077	3,583,063
Agency staff costs	101,134	33,618
Staff restructuring costs	15,834	11,249
	4,112,045	3,627,930

Staff restructuring costs comprise:

Exit payments	15,834	11,249
	15,834	11,249

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

Included in staff restructuring costs are non contractual severance payments totalling £Nil (2018 - £8,000).

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**11. Staff costs (continued)**

**c. Staff numbers**

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

	2019 No.	2018 No.
Teachers	52	48
Administration and support	73	68
Management	5	8
	130	124
	130	124

**d. Higher paid staff**

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

	2019 No.	2018 No.
In the band £70,001 - £80,000	1	-
	1	-

**e. 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 received by key management personnel for their services to the academy trust was £360,198 (2018: £407,411).

Included in the above are employer pension contributions of £44,116 (2018: £53,327) and employer national insurance contributions of £32,555 (2018: £35,048).



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**12. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019	2018
		£	£
Angela Ransby, Chief Executive (appointed 1 September 2018)	Remuneration	70,000 -	-
		75,000	
	Pension contributions paid	10,000 -	-
		15,000	
David Siddall (resigned 31 August 2018)	Remuneration	-	30,000 -
			35,000
	Pension contributions paid	-	5,000 -
			10,000
Stuart Bailey (resigned 31 August 2018)	Remuneration	-	30,000 -
			35,000
	Pension contributions paid	-	Nil

During the year ended 31 August 2019, travel expenses totalling £2,741 were reimbursed or paid directly to 1 Trustee (2018 - £594 to 2 Trustees).

**13. Trustees' and Officers' insurance**

The academy trust has opted into the Department of 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 membership.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**14. Tangible fixed assets**

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 September 2018	7,700,779	109,551	176,607	44,332	8,031,269
Additions	-	51,710	46,034	-	97,744
Transfers intra group	859,710	5,585	3,140	-	868,435
At 31 August 2019	<u>8,560,489</u>	<u>166,846</u>	<u>225,781</u>	<u>44,332</u>	<u>8,997,448</u>
<b>Depreciation</b>					
At 1 September 2018	290,933	20,899	77,304	5,722	394,858
Charge for the year	187,101	15,670	44,816	6,833	254,420
At 31 August 2019	<u>478,034</u>	<u>36,569</u>	<u>122,120</u>	<u>12,555</u>	<u>649,278</u>
<b>Net book value</b>					
At 31 August 2019	<u>8,082,455</u>	<u>130,277</u>	<u>103,661</u>	<u>31,777</u>	<u>8,348,170</u>
At 31 August 2018	<u>7,409,846</u>	<u>88,652</u>	<u>99,303</u>	<u>38,610</u>	<u>7,636,411</u>

All property within the Trust relates to Long Term leases with Suffolk County Council. The leases are in place for 125 years, and the valuations were carried out by independent professional valuers at the date of conversion to Raedwald Trust. No rental payments are due on these properties.

Included within Long Term Leasehold Property additions this year is the First Base Bury Academy. The valuation was carried out by an independent third party valuer.

**15. Stocks**

	2019 £	2018 £
School uniforms	<u>2,002</u>	<u>2,132</u>

**RAEDWALD TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**16. Debtors**

	2019 £	2018 £
<b>Due within one year</b>		
VAT recoverable	74,471	33,768
Prepayments and accrued income	143,542	145,582
	218,013	179,350

**17. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Trade creditors	165,581	107,720
Other taxation and social security	73,530	61,239
Other creditors	133,589	62,933
Accruals and deferred income	81,012	145,251
	453,712	377,143

**18. Financial instruments**

	2019 £	2018 £
<b>Financial assets</b>		
	-	-
Financial assets measured at amortised cost	1,704,633	1,891,958
	-	-
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(380,182)	(315,904)
	(380,182)	(315,904)

Financial assets that are 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, CIF funding and accruals.

**RAEDWALD TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**19. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
Unrestricted funds	385,085	154,222	(44,993)	(3,373)	-	490,941
<b>Restricted general funds</b>						
General Annual Grant (GAG)	171,160	1,870,264	(1,800,896)	(19,653)	-	220,875
Other DfE/ESFA Grants	-	8,300	(8,300)	-	-	-
Start up Grants	23,600	-	(21,780)	(1,820)	-	-
Other government grants	577,118	3,202,966	(3,113,634)	(2,350)	-	664,100
Pupil Premium	-	64,559	(64,559)	-	-	-
Other restricted funds	4,300	223,294	(227,889)	(1,096)	-	(1,391)
CIF Income - not capitalised	394,067	-	(452,179)	70,340	-	12,228
Pension reserve	(877,000)	(36,000)	(127,000)	-	(603,000)	(1,643,000)
	293,245	5,333,383	(5,816,237)	45,421	(603,000)	(747,188)
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds	7,590,305	868,435	(251,916)	69,452	-	8,276,276
Capital expenditure from revenue funding	46,108	-	(2,504)	28,292	-	71,896
Capital grants from other government funding	6,018	9,779	-	(15,797)	-	-
DfE/ESFA Capital grants	5,180	125,399	-	(123,995)	-	6,584
	7,647,611	1,003,613	(254,420)	(42,048)	-	8,354,756

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**19. Statement of funds (continued)**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Total Restricted funds</b>	7,940,856	6,336,996	(6,070,657)	3,373	(603,000)	7,607,568
<b>Total funds</b>	8,325,941	6,491,218	(6,115,650)	-	(603,000)	8,098,509

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 2019.

**Other DfE/ESFA Grants**

This represents other income from DfE / ESFA received in the period.

**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.

**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.<sup>5</sup>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. Statement of funds (continued)**

**Capital donations**

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

**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.

**DfE/ESFA Capital Grants**

The Academy Trust is to use the Devolved Formula Capital (DFC) fund allocation to maintain and improve its buildings and facilities.

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

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Raedwald Trust	1,382,635	224,338
Parkside Academy	3,903	911,918
Westbridge Academy	-	4,467
Alderwood Academy	215	303,994
St Christophers Academy	-	85,785
First Base Ipswich Academy	-	24,828
First Base Bury Academy	-	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,386,753	1,555,330
Restricted fixed asset fund	8,354,756	7,647,611
Pension reserve	(1,643,000)	(877,000)
	<hr/>	<hr/>
<b>Total</b>	<b>8,098,509</b>	<b>8,325,941</b>
	<hr/> <hr/>	<hr/> <hr/>

As the Trust now pools GAG, the only balances remaining at Academy level are those which are restricted to that particular school.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. Statement of funds (continued)**

**Total cost analysis by academy**

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 2019 £	Total 2018 £
Raedwald Trust	571,271	322,528	100,050	202,918	1,196,767	481,650
Parkside Academy	1,047,303	214,249	223,018	556,175	2,040,745	2,068,013
Westbridge Academy	523,738	37,649	152,413	47,649	761,449	696,205
Alderwood Academy	392,303	21,892	165,394	81,220	660,809	581,079
St Christophers Academy	436,837	42,781	77,954	129,089	686,661	538,409
First Base Ipswich Academy	209,857	65,166	15,394	40,451	330,868	371,400
First Base Bury Academy	138,735	12,602	6,879	25,715	183,931	-
<b>Academy trust</b>	<u>3,320,044</u>	<u>716,867</u>	<u>741,102</u>	<u>1,083,217</u>	<u>5,861,230</u>	<u>4,736,756</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**19. Statement of funds (continued)**

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2018 £
Unrestricted funds	127,736	269,920	(12,571)	-	385,085
<b>Restricted general funds</b>					
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)
	64,764	4,647,550	(4,724,183)	305,114	293,245
<b>Restricted fixed asset funds</b>					
Restricted Fixed Asset Funds	3,546,824	4,225,994	(215,673)	33,160	7,590,305
Capital expenditure from revenue funding	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)	-
DfE/ESFA Capital grants	-	23,782	-	(18,602)	5,180
	3,561,039	4,270,387	(218,701)	34,886	7,647,611
<b>Total Restricted funds</b>	<b>3,625,803</b>	<b>8,917,937</b>	<b>(4,942,884)</b>	<b>340,000</b>	<b>7,940,856</b>



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**20. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	8,348,170	8,348,170
Current assets	490,941	1,349,524	6,586	1,847,051
Creditors due within one year	-	(453,712)	-	(453,712)
Provisions for liabilities and charges	-	(1,643,000)	-	(1,643,000)
<b>Total</b>	<u>490,941</u>	<u>(747,188)</u>	<u>8,354,756</u>	<u>8,098,509</u>

**Analysis of net assets between funds - prior year**

	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)
<b>Total</b>	<u>385,085</u>	<u>293,245</u>	<u>7,647,611</u>	<u>8,325,941</u>

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**21. Reconciliation of net income to net cash flow from operating activities**

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	375,568	4,232,402
<b>Adjustments for:</b>		
Depreciation	254,420	218,701
Capital grants from DfE and other capital income	(77,614)	(35,261)
Dividends, interest and rents from investments	(922)	(3,425)
Defined benefit pension scheme obligation inherited	36,000	363,000
Defined benefit pension scheme cost less contributions payable	127,000	149,000
Decrease/(increase) in stocks	130	(1,469)
Increase in debtors	(12,463)	(78,743)
Increase in creditors	76,569	242,451
Net assets from local authority on conversion	(966,894)	(4,482,577)
<b>Net cash (used in)/provided by operating activities</b>	<b>(188,206)</b>	<b>604,079</b>

**22. Cash flows from investing activities**

	2019 £	2018 £
Dividends, interest and rents from investments	922	3,425
Purchase of tangible fixed assets	(97,744)	(68,079)
Capital grants from DfE Group	51,414	35,261
Local authority balance received on conversion	98,459	256,583
<b>Net cash provided by investing activities</b>	<b>53,051</b>	<b>227,190</b>

**23. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	1,627,036	1,762,191
<b>Total cash and cash equivalents</b>	<b>1,627,036</b>	<b>1,762,191</b>

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**24. Conversion to an academy trust**

On 1 February 2019 First Base Bury 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 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
<b>Tangible fixed assets</b>				
Leasehold land and buildings	-	-	859,710	859,710
Other tangible fixed assets	-	-	8,725	8,725
Pension deficit on conversion	-	(36,000)	-	(36,000)
Budget surplus/(deficit) on LA funds	98,459	-	-	98,459
<b>Net assets/(liabilities)</b>	<u>98,459</u>	<u>(36,000)</u>	<u>868,435</u>	<u>930,894</u>

The above net assets include £98,459 that were transferred as cash.

**25. Pension commitments**

The academy trust's employees belong to two principal pension schemes: the Teachers' 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 schemes.

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

Contributions amounting to £72,724 were payable to the schemes at 31 August 2019 (2018 - £62,085) and are included within creditors.

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**25. Pension commitments (continued)**

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

**The Teacher's Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

**Valuation of the Teachers' Pension Scheme**

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

**Scheme Changes**

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

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

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

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**25. Pension commitments (continued)**

The employer's pension costs paid to TPS in the year amounted to £285,234 (2018 - £256,023).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £370,982 (2018 - £310,976), of which employer's contributions totalled £305,982 (2018 - £256,976) and employees' contributions totalled £ 65,000 (2018 - £54,000). The agreed contribution rates for future years are 23 per cent for employers and between 5.5 and 12.5 per cent 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**

	2019	2018
	%	%
Rate of increase in salaries	2.60	2.60
Rate of increase for pensions in payment/inflation	2.30	2.30
Discount rate for scheme liabilities	1.90	2.80
Commutation of pensions to lump sums	25.00	25.00

The commutation rate of 25% relates to pre April 2008 service and increased to 63% for post April 2008 service.

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

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

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**25. Pension commitments (continued)**

As at the 31 August 2019 the Trust had a pension liability of £1,643,000 (2018 - £877,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way;

**Sensitivity analysis**

	2019 £	2018 £
Discount rate +0.1%	(112,084)	(75,236)
Discount rate -0.1%	112,084	75,236
Mortality assumption - 1 year increase	16,012	21,496
Mortality assumption - 1 year decrease	(16,012)	(21,496)
CPI rate +0.1%	88,066	59,114
CPI rate -0.1%	(88,066)	(59,114)
	<u>                    </u>	<u>                    </u>

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	1,180,000	1,122,000
Corporate bonds	637,000	489,000
Property	519,000	181,000
Cash and other liquid assets	24,000	18,000
<b>Total market value of assets</b>	<u>2,360,000</u>	<u>1,810,000</u>

The actual return on scheme assets was £109,000 (2018 - £80,000).

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

	2019 £	2018 £
Current service cost	(392,000)	(382,000)
Past service cost	(16,000)	-
Interest income	57,000	37,000
Interest cost	(83,000)	(63,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<u>434,000</u>	<u>408,000</u>

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**25. Pension commitments (continued)**

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

	2019 £	2018 £
<b>At 1 September</b>	2,687,000	1,539,000
Conversion of academy trusts	105,000	946,000
Current service cost	392,000	382,000
Interest cost	83,000	63,000
Employee contributions	65,000	54,000
Actuarial losses/(gains)	655,000	(297,000)
Past service costs	16,000	-
<b>At 31 August</b>	<u>4,003,000</u>	<u>2,687,000</u>

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	2019 £	2018 £
<b>At 1 September</b>	1,810,000	834,000
Conversion of academy trusts	69,000	583,000
Interest income	57,000	37,000
Actuarial gains	52,000	43,000
Employer contributions	307,000	259,000
Employee contributions	65,000	54,000
<b>At 31 August</b>	<u>2,360,000</u>	<u>1,810,000</u>

**26. Operating lease commitments**

At 31 August 2019 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	academy 2019 £	academy 2018 £
Not later than 1 year	177	708
Later than 1 year and not later than 5 years	-	177
	<u>177</u>	<u>885</u>

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**27. 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.

**28. Related party transactions**

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

Related party transactions in the year were as follows:

Orwell Multi Academy Trust

A Whittaker (member) is a member at Orwell Multi Academy Trust. A Hennell James (trustee) is also CEO at Orwell Multi Academy Trust. During the year, the Trust purchased CPD modules from Orwell MAT totalling £23,175, purchased training materials totalling £175 and used meeting rooms costing £50 in the year ended 31 August 2019. There was no balance due at the year end.

The trustees confirm that the element of this expenditure above £2,500 has been provided at no more than cost.

Inspire Suffolk

C Walters (trustee) is also a trustee of Inspire Suffolk. During the year, the Trust used the sports facilities of Inspire Suffolk, costing £5,865, and paid for site maintenance costs totalling £900. There was no balance due at the year end.

The trustees confirm that the element of this expenditure above £2,500 has been provided at no more than cost.

Keyhole Surgery Locksmiths

This entity is run by S Chittock, a close family member of R Fern (chair of trustees). During the year, this entity carried out general maintenance at the Trust, costing £638. There was no balance due at the year end.

Belle Connection

This entity is run by E Chittock, a close family member of R Fern (chair of trustees). During the year, this entity provided nail workshops for pupils, costing the Trust £1,395. There was no balance due at the year end.

There are no other related party transactions to disclose (2018: £Nil).



