

DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018

DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE PERIOD ENDED 31 AUGUST 2018**

Members

J Basran
J Jones
C O'Neil
J Reavley
J Jardine (appointed 1 September 2018)

Trustees

R Walsh, Chief Executive Officer
C Anderson, Chair of Trustees
A Bali
J Basran
S Isman
J Jones
J Taylor
F Braza (appointed 2 October 2018)
A Kejriwal (appointed 2 October 2018)

Company registered number

11066479

Company name

Dormers Wells Learning Trust

Principal and registered office

Dormers Wells Lane, Southall, Middlesex, UB1 3HZ

Chief executive officer

R Walsh

Senior management team

R Walsh, CEO/Headteacher of DWHS
D Fenlon, Deputy Headteacher of DWHS
P Cohen, Deputy Headteacher of DWHS
G Dawson, Assistant Headteacher of DWHS
D Kullar, Assistant Headteacher of DWHS
S Girvan, Assistant Headteacher of DWHS
H Tippins, Assistant Headteacher of DWHS
B Ramsland, Assistant Headteacher of DWHS
S Marker, Associate Assistant Headteacher of DWHS
D McCarthy, Associate Assistant Headteacher of DWHS
J Taylor, Headteacher of DWJS
H Oghra, Chief Financial Officer

Independent auditors

Landau Baker Limited, Mountcliff House, 154 Brent Street, London, NW4 2DR

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2018**

Advisers (continued)

Bankers

Lloyds Bank, 39 Threadneedle Street, London, EC2R 8AU

Solicitors

Eversheds Sutherland International LLP, One Wood Street, London, EC2V 7WS

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TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2018

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

The trust operates an academy for pupils aged 7 to 19 serving a catchment area in Ealing. It has a pupil capacity of 1880 and had a roll of 1814 in the school census in October 2018. The DWLT serves a diverse community where approximately 70% school population are EAL with over 30 languages spoken across the community, and where approximately one-third of pupils live in areas with IMD scores above 33.9 and another 40% live in areas with IMD scores between 21.4 & 33.8. Our local community has high levels of students identified as having SEND (11% at DWHS and 16% for DWJS), with the most common needs Cognitive and Learning as well as social and emotional needs. We have developed strategies to support all groups of pupils to overcome barriers and achieve success.

The Multi-Academy Trust operates two academies, Dormers Wells High School and Dormers Wells Junior School for pupils aged 7 to 19 with admissions serving in the London Borough of Ealing.

Dormers Wells High School

In the October 2017 census pre-16 students totaled 1195 and post 16 students totaled 194. In the October 2018 census pre 16 students totaled 1187 and post 16 students totaled 195. The lower census figures for 2018 were due to students relocating out of the London areas. Late admissions have been accepted bringing the total pre 16 figures to 1198 as of 5th November 2018.

Dormers Wells Junior School

In the October 2017 census students aged 5 and under totaled 454. In the October 2018 census students aged 5 and under totaled 432.

Structure, governance and management

a. CONSTITUTION

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Dormers Wells Learning Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Dormers Wells Learning Trust.

Details of the trustees who served during the period are included in the Reference and administrative details on page 1.

b. 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.

c. TRUSTEES' INDEMNITIES

Subject to the provisions of the Companies Act, every governor or other officer of the academy trust shall be indemnified out of the assets of the academy trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy trust.

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d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the academy trust is the responsibility of the governors who are elected and co-opted under the terms of the articles of association and funding agreement as follows:

- o The headteacher
- o Up to 2 parent governors, appointed by the members
- o Up to 5 appointed by the board of trustees
- o Up to 4 co-opted by the local governing body
- o Up to 1 staff governor appointed by the members, provided that the maximum number of staff governors does not exceed one third of the total number of governors

The term of office for any governor is 4 years. The headteachers' term of office runs parallel with their term of appointment. Subject to remaining eligible to be a particular type of governor, any governor may be reappointed or re-elected.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The training and induction provided for new governors will depend on their individual experience and expertise. Where necessary an induction will provide training on charity and educational, legal and financial matters. All new governors are given a tour of the academy and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as trustees and directors of the academy trust.

f. ORGANISATIONAL STRUCTURE

The academy trust has established a management structure to enable its efficient running. The structure consists of two levels: the governors and the executive who are the senior leadership team. The governing body has considered its role thoughtfully and decided that the role of the governors is to approve the strategic direction and objectives of the academy trust and monitor its progress towards these objectives. The governing body has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing orders, a scheme of delegation and terms of reference. The headteachers are directly responsible for the day to day running of the academies and are assisted by a senior leadership team. Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy trust by use of budgets and making major decisions about the direction of the academy trust, including capital expenditure and senior staff appointments. The Chief Executive Officer assumes the accounting officer role.

g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The pay committee of the board of trustees will consider the executive headteacher, headteachers, and staff employed in any central shared services. The recommendations will be made by the executive headteacher, with the exception of the executive headteacher salary (where the recommendation will be from the Executive Headteacher Performance Review Committee) and headteacher salary (where the recommendation will be from the relevant Performance Review Committee).

The pay committee of each local governing board will consider the staff employed principally at that school and who are under the direction of the headteacher.

Local headteacher and senior leadership remuneration is in line with STPCD as well as consideration given to the targets set in the annual performance targets.

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h. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The academy trust is the founding member of the Dormers Wells Learning Academy Trust which is a separate trust where Dormers Wells High School and Dormers Wells Junior School are currently the only members. The trust undertakes educational support activities.

Objectives and Activities

a. OBJECTIVES AND AIMS

The principal objective and activity of Dormers Wells Learning Trust (DWLT) is to provide a broad and balanced education for pupils of all abilities between the ages of 7-19. The governors have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the academy.

In accordance with the articles of association, the academy trust has adopted a "Scheme of Government" approved by the Secretary of State for Education.

The Scheme of Government is part of the wider 'Master Funding Agreement' between the Company and the Secretary of State and 'Supplemental Funding Agreements' for each Academy.

The Scheme of Government specifies, amongst other things, that the academies will be at the heart of their communities promoting community cohesion and sharing facilities; the basis for admitting students to the academies, that the curriculum should be broad and balanced; there will be an emphasis on the needs of individual pupils including pupils with SEN; the basis for charging pupils.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The academy trust's key objectives for the academic year identified in School Improvement planning were identified as:

Effectiveness of Leadership and Management

- Leaders, at all levels, and trustees, to focus on consistently improving outcomes for all pupils, but especially for disadvantaged pupils
- Implement changes to the curriculum and performance measures. Support the strategic planning of a curriculum across the Trust that enables students to maximise their potential and prepare them for the next stage of their life
- Embed and develop further whole school monitoring, evaluation and review: DWLT Curriculum/Year Review, ensuring all staff actively engage and respond to evaluations during the process
- Ensure consistently effective teaching enables all students including disadvantaged, pupil premium and SEN to progress and achieve their best
- Ensure appraisal is an effective all staff process to enable colleagues to continually develop their professional skills
- Continue to develop CPD provision to develop leadership at all levels
- Provide a learning environment where students are healthy, safe and enjoy opportunities available to enable them to achieve economic wellbeing.

Quality of teaching and learning

- Further develop high standards of academic literacy and numeracy across the curriculum for all groups of students across all year groups and Key Stages
- Ensure the most able students achieve their best and continue their education at A Level at DWHS
- Rigorously monitor learning and teaching to ensure all students make expected or above progress
- Review and plan a whole school approach towards assessment and ensure that all students develop skills, strategies and experience in examinations
- Set the highest expectations and continue to build upon the effective dialogue between teacher and student in response to work. Ensure incisive feedback is consistent across all subjects and all Key Stages

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Personal Development and Wellbeing

- Maintain the highest standards of safeguarding and health and safety
- Continue to develop the role of the tutor and promote active tutoring to embed rigorous attendance procedures and to foster a deeper understanding of SMSC and personal achievement
- Develop positive learning strategies to meet the emotional and social needs of all, including the most vulnerable students
- Attendance – meet the target of 96% or greater target

Outcomes for pupils in achievement across all subjects

- Continue to raise standards of achievement across all year groups by continuing to set challenging target (FFT 5)
- Further embed pupil progress meetings to rigorously track those students at risk of underachievement
- Continue to narrow the gaps in attainment by different group, including the more able

These priorities reflect the vision of Dormers Wells Learning Trust:

- Effective leadership and governance
- High quality teaching, learning and assessment
- Personal development and welfare of all students
- Raising educational standards at all Key Stages
- Schools serving their communities

c. PUBLIC BENEFIT

In setting the objectives for Dormers Wells Learning Trust, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. The students are admitted in line with the trust's admission policy and from a wide range of backgrounds. Dormers Wells Learning Trust offers an enriching curriculum which focuses on excellent academic achievement and progress whilst offering the students inspiring and motivating activities and experiences.

As a trust we make the best use of our skills, experience and expertise with regards to the community. The trust raised £1,210.96 for various charities including MIND, Sports Relief, Toilet Twinning, Khalsa Aid and so forth. All of this money has been passed on to the relevant charities.

As an academy we make the best use of our skills, expertise and experience with regards to the community. Some examples of this are:

- o Raising money for local, national and international charities.
- o Sports Leader programmes that provide sporting activities to local primary schools.
- o Science College support of local primary schools.

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Strategic report

Achievements and performance

a. KEY PERFORMANCE INDICATORS

Dormers Wells High School

	P8	A8	5+ EM
2017-18	0.4	45 (44.3)	50 (39.9)
2016-17	0.6	48.7 (44.6)	50(39.6)
National figures in brackets			

Y11 2017-18 Actual Res			
Title		Total	Percentage
Pupils			
	Total number of students	235	-
	Students included in analysis		-
Entries			
	Entries achieving a grade 9 to 8 (Inc A*)	171	9.95%
	Entries achieving a grade 9 to 7 (Inc A*-A)	375	21.82%
	Entries achieving a grade 9 to 5 (Inc A*-B)	893	51.95%
	Entries achieving a grade 9 to 5 (Inc A*-C)	989	57.53%
	Entries achieving a grade 9 to 4 (Inc A*-C)	1175	68.35%
	Total Entries	1719	-
	Average Entries per pupil	7.31	-
Performance			
	Pupils with A*-C/ 9 to 4 in English and mathematics	153	65%
	Pupils with 5+ A*-C (4+)	138	58.72%
	Pupils with 5+ A*-C (Inc Maths & English 4+)	131	55.74%
Progress8			
	Progress8 Entries	205	-
	Progress8 Score	TBC	-
	Attainment8	TBC	-
Subject Related			
	Pupils Entered for English Baccalaureate	38	16.17%
	Pupils Achieving the English Baccalaureate (% of Pupils)	33	14.04%
	Pupils Achieving the English Baccalaureate (% of Entries)	33	86.84%

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English			
	English Entries	230	98.71%
	Pupils achieving A* to A/ 9 to 7 in English (% of Entries)	57	24.57%
	Pupils achieving A* to A/ 9 to 7 in English (% of Pupils)	57	24.26%
	Pupils achieving A* to C/ 9 to 4 in English (% of Entries)	178	76.72%
	Pupils achieving A* to C/ 9 to 4 in English (% of Pupils)	178	75.74%
Maths			
	Maths Entries	229	98.28%
	Pupils achieving A* to A/ 9 to 7 in Maths (% of Entries)	58	24.89%
	Pupils achieving A* to A/ 9 to 7 in Maths (% of Pupils)	58	24.68%
	Pupils achieving A* to C/ 9 to 4 in Maths (% of Entries)	167	71.67%
	Pupils achieving A* to C/ 9 to 4 in Maths (% of Pupils)	167	71.06%

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Science			
	Pupils entered for 1 or more Sciences	232	98.72%
	Pupils achieving 1 or more Sciences A* to C	151	64.26%
	Pupils achieving 1 or more Sciences A* to C (% of Entries)	151	65.09%
	Pupils entered for 2 or more Sciences	232	98.72%
	Pupils achieving 2 or more sciences A* to C	149	63.4%
	Pupils achieving 2 or more sciences A* to C (% of Entries)	149	64.22%
	Pupils entered for Three Sciences	111	47.23%
	Pupils achieving Three Sciences A* to C	91	38.72%
	Pupils achieving Three Sciences A* to C (% of Entries)	91	81.98%
MFL			
	1 MFL grade A*-C (% Of Entries)	87	92.55%
	1 MFL grade A*-C (% Of Pupils)	87	37.02%

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Dormers Wells Junior School

Progress in Reading

	2016	2017	2018
Number of pupils	77	73	92
School progress score	-4.10	-3.16	-1.20
Confidence interval	-5.5 to -2.7	-4.6 to -1.8	-2.4 to 0.0
Progress banding	Well below average	Well below average	Average
LA Average	0.10	0.62	0.46
National Average	0.00	0.00	0.03

Progress in Writing

	2016	2017	2018
Number of pupils	78	73	92
School progress score	0.04	0.19	1.76
Confidence interval	-1.4 to 1.4	-1.2 to 1.6	0.6 to 3.0
Progress banding	Average	Average	Above average
LA Average	0.02	0.92	0.57
National Average	0.00	0.00	0.03

Progress in Mathematics

	2016	2017	2018
Number of pupils	78	73	92
School progress score	-4.93	0.20	0.64
Confidence interval	-5.8 to -3.4	-1.1 to 1.5	-0.5 to 1.7
Progress banding	Well below average	Average	Average
LA Average	1.03	1.82	1.38
National Average	0.00	0.00	0.03

School Absence Data

Dormers Wells High School

Attendance at Dormers Wells High School is high, at the end of the third week of September it is at 97.0% and we are striving to improve it even further.

Over the last five years authorised absence rates have remained under 3.5%.

Dormers Wells Junior School

Attendance figures to October 2018 is 96.5% (0.5% above benchmarked schools)

b. GOING CONCERN

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason 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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a. FINANCIAL REVIEW

Dormers Wells Learning Trust was formed and incorporated on 1st January 2018. At this time Dormers Wells High School joined the MAT from being a local authority maintained school. Dormers Wells High School was the sponsor for Dormers Wells Junior School. Dormers Wells Junior School joined Dormers Wells Learning Trust on 1st February 2018.

Most of the academy trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the 8 month period ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of financial activities.

Dormers Wells High School

The financial year for Dormers Wells High School for the purpose of these accounts covered the period 1st January 2018 to 31st August 2018. Therefore 8 months of grants, income and expenditure are recorded in these accounts. During the period, ESFA/LA grants received totaled to £6,259,375. Other income included within restricted funds totaled to £2,200,272. Restricted fund expenditure totaled to £8,459,647.

The main source of unrestricted income is donations, totaling to £1,711. The school received donations from Amber Infrastructures in the amount of £500 for sponsorship of water and fruit for year 11 students during the exam period. The remaining £1,211 was for various charities including MIND, Khalsa Aid and Toilet Twinings.

Other income in restricted funds includes the transfer of £2,115,903 from the LA for the balance of funds from Dormers Wells High School as a maintained school to Dormers Wells High School operating under Dormers Wells Learning Trust.

Dormers Wells High School is a PFI school that was commissioned during the Governments Building Schools for the Future (BSF) project for schools. Therefore most of the furniture, fixtures and building assets are under the PFI contract and therefore lifecycled through this contract. The PFI contract commenced in September 2012 and will terminate on 31st March 2038. There are two buildings outside of the PFI contract that the school maintains.

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

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the academy. It should be noted that this does not present the academy with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

During the period ended 31st August 2018, there was an operating surplus of funds totalling £2,169,310 (dependent on final auditor y/e adjustments) which was in main due to the academy conversion transfer funds and cautious spending to ensure that cashflow and other contract commitments were fulfilled during the time of transfer and set up. Large investment plans for IT were temporarily put on hold to ensure that teaching and learning during this time of conversion was the main priority. The initial investment of IT in the new PFI school was £2,000,000 funded by the then BSF project. Dormers Wells High School has been prudent in setting aside reserve funds to allocate to the IT infrastructure of the school following end of life equipment replacement. This investment will form part of the trust's vision to provide a rich and varied curriculum and impressive IT infrastructure.

Overall, Dormers Wells High School has a healthy balance sheet and cash flow and will be using the reserves to maintain the current assets and also to invest back into the school in the form of additional resources and

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facilities both in the long term and short term in conjunction with the school development plan and school aims.

Dormers Wells Junior School

The financial year for Dormers Wells Junior School for the purpose of these accounts covered the period 1st February 2018 to 31st August 2018. Therefore 7 months of grants, income and expenditure are recorded in these accounts.

During the period, ESFA/LA grants received totaled to £1,275,681. Other income included within restricted funds totaled to £384,451. Restricted fund expenditure totaled to £1,660,132..

Other income in restricted funds includes the transfer of £334,623 from the LA for the balance of funds from Dormers Wells Junior School as a foundation school to Dormers Wells Junior School operating under Dormers Wells Learning Trust.

The academy also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2015), such grants are shown in the Statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the academy. It should be noted that this does not present the academy with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

During the period ended 31st August 2018, there was an operating surplus of funds totalling £332,956 (dependent on final auditor y/e adjustments) which was in main due to the academy conversion transfer funds and cautious spending to ensure that cashflow and other contract commitments were fulfilled during the time of transfer and set up. Careful consideration has been given to contracts and spending in the Junior school to ensure that in year surpluses are maintained for the following and subsequent years.

Overall, Dormers Wells Junior School finished the year with a healthy surplus that has enabled them to balance the budget following financial year, but further investigation is required to ensure that expenditure is in line with future revenue. The school is currently not a full capacity and with lower intake numbers being forecasted for future years this will have a significant impact on the future financial portfolio of the school.

Following conversion to academy status, the trust appointed the High School's School Business Manager as the Chief Financial Controller (CFO). A senior Finance Officer and a Finance/PFI Assistant work in the High School and a term time only Bursar currently works in the Junior School. The CFO has subsequently been reviewing the financial processes and controls and one of the changes made is to the accounting package used to improve reporting. The finance committee receives financial progress reports throughout the year and compares the findings against budgets submitted to the Education and Skills Funding Agency. The finance committee also reviews longer term financial models (of up to 5 years) to plan and organise resources most effectively to fulfil the aims of the academies and trust.

b. RESERVES POLICY

The definition of reserves in the SORP is 'that part of a charity's income funds that is freely available for its general purposes'. This definition of reserves therefore normally excludes:

- o permanent endowment funds
- o expendable endowment funds
- o restricted income funds
- o any part of unrestricted funds not readily available for spending, specifically income funds which could only be realised by disposing of fixed assets held for charitable use

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'Reserves' are therefore the resources the academy trust has or can make available to spend for any or all of the academy trust's purposes once it has met its commitments and covered its other planned expenditure. More specifically reserves are income which becomes available to the academy trust and is to be spent at the trustees' discretion in furtherance of any of the academy trust's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated (i.e. it is 'free').

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The trustees will keep this level of reserves under review and aim to build and maintain the reserves level.

Total reserves at the end of the period amounted to 2,618,000 (subject to y/e auditor adj). This balance includes unrestricted funds (free reserves) of £7,000, which is considered appropriate for the academy trust, and restricted funds of £2,611,000.

Users should also note that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the academy trust in the form of an increase or decrease in employers' pension contributions over a period of years. The academy trust thus takes this fact into account when reviewing current business plans and budgets, ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the academy trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the academy trust due to the recognition of the deficit.

c. MATERIAL INVESTMENTS POLICY

It should be noted that the academy trust has substantial power with regards to investments due to cash balances held. Investment policies are determined at academy level, which is agreed by the local governing body. This ensures the level of funds the academy holds can cover any immediate expenditure, without exposing the academies to additional risk. Should any potential investment opportunity arise this would be escalated to the board for consideration. The most typical investments that are held by academies, are the Special Interest Deposit accounts which are immediately available to draw against. At 31 August 2018, no investments were held.

d. PRINCIPAL RISKS AND UNCERTAINTIES

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The academy trust is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the academy trust's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The academy trust's system of internal controls ensures risk is minimal in these areas.

As a MAT's funding comes from the DfE, with the main risk arising from the changes in government policy and funding levels. One of the key risks is falling levels of funding and pupils on roll. A risk register has been established and is updated regularly. Numbers on roll are reported to the trustees and each governing body termly through the headteachers' report. The falling roll in the Junior School has been highlighted to the governors and the trustees and different scenarios have been presented to overcome the potential financial risks facing the school. Furthermore, the increase in teachers pay and pension increases will put significant pressures on the schools and the trust. Where appropriate, systems or procedures have been established to mitigate the risks each academy faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The governors have assessed the major risks to which the academy trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy trust, and its finances. The governors have implemented a number of systems to assess risks that the schools face, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk.

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In the eight months since the trust was established, an Interim Audit, a Responsible Officer Audit and a Final Audit have all been conducted, where the first two audits were at the request of the trust to maintain clarity and confidence that internal controls were sufficient and transparent. Further to this a FMGS audit also took place in September 2018.

The academy trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

It should also be noted that procedures are in place to ensure compliance with the health and safety regulations, pertaining to both staff and pupils.

Fundraising

The academy trust does not engage in any specific fundraising activities.

a. PLAN FOR FUTURE PERIODS

The trust will increase the number of academies within its Multi-Academy Trust to 3 by the end of August 2019. This is due to another local school being given an academy order.

Plans and proposals are currently being discussed with the current Junior School and the other local school to deliver an improvement to the educational outcomes of the pupils in the school, provide confidence in the local community of improved standards and forecast balanced budgets for future years.

The trust will look to benefit from value for money by establishing a centralised procurement strategy to realise cost savings and increased effectiveness across the trust.

The academy trust has an ongoing programme of repairs and maintenance and a prioritised improvement plan, for which we will be applying for capital grants from the Department of Education, ESFA and ACMF. Over the coming year priority will be given to replacement of site condition repairs at the Junior School. The High School will be focusing on the improved IT infrastructure within the school itself and the trust.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

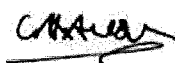
The academy trust and its trustees did not act as custodian trustee during the current or previous period.

AUDITOR

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that trustees have taken all the steps that ought to have been taken as trustees in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 13 December 2018 and signed on its behalf by:



Chair of Trustees

DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Dormers Wells Learning 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 who is the headteacher of Dormer Wells High School, 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 Dormers Wells Learning 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 3 times during the 8 months period. Attendance during the 8 months period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
R Walsh, Chief Executive Officer	3	3
C Anderson, Chair of Trustees	3	3
A Bali	0	3
J Basran	2	3
S Isman	2	3
J Jones	3	3
J Taylor	3	3

Trustees typically also serve on a number of other sub committees, as set out on the school website.

The impact of each governing body committee is reviewed and monitored through the headline document that each committee reviews and produces on a termly basis. The trustees also intend to perform a self-evaluation review of governance in the coming year.

The finance and premises committee is a sub-committee of the main board of trustees. Its purpose is to receive financial monitoring reports from individual academies and consider individual academy budget proposals for authorisation. The committee was established in January 2018.

All procedures, policies and setting up of the academy trust was presented and approved to the finance and premises committee as well as the board of trustees. No significant issues to note were dealt with during the period.

The audit committee which **will also be appointed in November 2018** is also a sub-committee of the main board of trustees. Its purpose is to:

- o monitor the integrity of the financial statements;
- o review internal financial controls and review the academy trust's internal control and risk management systems;
- o make recommendations to the Governing Body in relation to the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the auditor; and
- o review the auditor's independence and objectivity.

DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher/Cheif Executive Officer has responsibility for ensuring that the academy 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'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 has delivered improved value for money during the year by:

- o Trust Central Team

Dormers Wells High School has provided executive and leadership support to Dormers Wells Junior School through the CEO and the CFO. Other specialist support has been provided in teaching areas of English, Reading and Maths as well as coaching and mentoring for staff in the Junior School. Procured externally, this would have incurred expensive fees and costs.

- o The Appointment of Landau Baker as Responsible Officer

In order to provide confidence in the processes, systems, procedures and internal control functions of the trust, DWLT appointed Landau Baker as an external responsible officer. The following areas were checked by the responsible officer:

- * Trial Balance
- * Debtors & Creditors
- * Bank Reconciliations
- * Credit/Procurement Cards
- * Control Accounts
- * Financial Reporting to Governors
- * Budgets
- * Budgeting Technique
- * Governance
- * Academy Documentation
- * Related Parties
- * Data Protection
- * Website Disclosures

No high risk recommendations were identified in Dormers Wells High School.

7 recommendations identified have all been implemented in DWHS and were more so to be developed as the academy is established.

No high risk recommendations were identified in Dormers Wells Junior School. 8 recommendations identified have all been implemented in DWJS and were more so to be developed as the academy is established.

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 Dormers Wells Learning Trust for the period 1st January 2018 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the

DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

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 period 1st January 2018 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

The academy'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 Landau Baker Limited as internal auditor/Responsible Officer.

The **internal auditor's / Responsible Officer** 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:

- * testing of payroll systems
- * testing of purchase systems
- * testing of control account/ bank reconciliations
- * testing of any other sections [Governance]
- * testing of income and other revenue
- * review of financial procedures manual
- * checking of risk register and business continuity plan
- * testing the fixed asset register

On a quarterly basis, Landau Baker the auditor reports to the board of trustees through the audit, finance and general purposes committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The Board can confirm that the internal auditor has delivered their schedule of work as planned, provided details of any material control issues arising as a result of their work. During the current and previous period, there were no material control issues noted and thus no remedial action was required to be taken.

DORMERS WELLS LEARNING TRUST
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GOVERNANCE STATEMENT (continued)

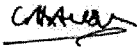
REVIEW OF EFFECTIVENESS

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the 8 months period 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 who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 13 December 2018 and signed on their behalf, by:



C Anderson
Chair of Trustees



R Walsh
Accounting Officer

DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



R Walsh
Accounting Officer

Date: 13 December 2018

DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)

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

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

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

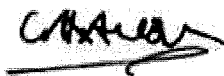
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the board of trustees on 13 December 2018 and signed on its behalf by:



C Anderson
Chair of Trustees

DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DORMERS WELLS LEARNING TRUST**

OPINION

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy 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's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

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

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

DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DORMERS WELLS LEARNING TRUST**

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 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 and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy 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'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 or to cease operations, or have no realistic alternative but to do so.

DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DORMERS WELLS LEARNING TRUST**


AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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

 FOR LANDAU BAKER LIMITED

Carly Pinkus (Senior statutory auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR
13 December 2018

DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO DORMERS
WELLS LEARNING TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 5 January 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Dormers Wells Learning Trust during the period 15 November 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF DORMERS WELLS LEARNING TRUST'S ACCOUNTING OFFICER
AND THE REPORTING ACCOUNTANT**

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 15 November 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 15 November 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Landau Baker Limited

Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

13 December 2018

DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE 8 MONTH PERIOD ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
INCOME FROM:					
Donations and capital grants	2	6	(1,100)	34,737	33,643
Charitable activities	3	-	7,693	-	7,693
Other trading activities	4	-	81	-	81
Investments	5	1	-	-	1
TOTAL INCOME		<u>7</u>	<u>6,674</u>	<u>34,737</u>	<u>41,418</u>
EXPENDITURE ON:					
Charitable activities		-	7,732	408	8,140
TOTAL EXPENDITURE	8	<u>-</u>	<u>7,732</u>	<u>408</u>	<u>8,140</u>
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES					
		7	(1,058)	34,329	33,278
Actuarial gains on defined benefit pension schemes	24	-	162	-	162
NET MOVEMENT IN FUNDS		<u>7</u>	<u>(896)</u>	<u>34,329</u>	<u>33,440</u>
RECONCILIATION OF FUNDS:					
Total funds brought forward		-	-	-	-
TOTAL FUNDS CARRIED FORWARD		<u>7</u>	<u>(896)</u>	<u>34,329</u>	<u>33,440</u>

All of the academy's activities derive from acquisitions in the current financial period.

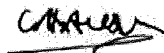
DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 11066479

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£000	2018 £000
FIXED ASSETS			
Tangible assets	16		34,309
CURRENT ASSETS			
Debtors	17	329	
Cash at bank and in hand		2,637	
		2,966	
CREDITORS: amounts falling due within one year	18	(328)	
		2,638	
NET CURRENT ASSETS			2,638
TOTAL ASSETS LESS CURRENT LIABILITIES			36,947
Defined benefit pension scheme liability	24		(3,507)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			33,440
FUNDS OF THE ACADEMY			
Restricted income funds:			
Restricted income funds	19	2,611	
Restricted fixed asset funds	19	34,329	
		36,940	
Restricted income funds excluding pension liability		(3,507)	
		33,433	
Total restricted income funds			33,433
Unrestricted income funds	19		7
TOTAL FUNDS			33,440

The financial statements on pages 26 to 46 were approved by the Trustees, and authorised for issue, on 13 December 2018 and are signed on their behalf, by:

C Anderson
Chair of Trustees



DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2018

	Note	2018 £000
Cash flows from operating activities		
Net cash provided by operating activities	21	<u>2,616</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments		1
Purchase of tangible fixed assets		(17)
Capital grants from DfE Group		<u>37</u>
Net cash provided by investing activities		<u>21</u>
Change in cash and cash equivalents in the period		2,637
Cash and cash equivalents brought forward		<u>-</u>
Cash and cash equivalents carried forward	22	<u><u>2,637</u></u>

All of the cash flows are derived from acquisitions in the current financial period.

DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

Dormers Wells Learning Trust constitutes a public benefit entity as defined by FRS 102.

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 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.

1.3 Income

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

DORMERS WELLS LEARNING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

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

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

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

Freehold property	-	25 - 45 years
Computer equipment	-	3 years

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

1.6 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.

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

1. ACCOUNTING POLICIES (continued)

1.7 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.

1.8 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 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. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.10 Taxation

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

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NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.12 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 Dormers Well High School and Dormers Wells Junior School to an 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 - assets transferred on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 23.

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

1. ACCOUNTING POLICIES (continued)

1.13 Fund accounting

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

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

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 August 2018 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000
Donations	6	-	6
Capital grants	-	37	37
Assets transferred on conversion	-	33,600	33,600
	<u>6</u>	<u>33,637</u>	<u>33,643</u>

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

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

Dormers Wells Learning Trust

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000
DfE/ESFA grants			
General Annual Grant	-	7,004	7,004
Pupil premium	-	355	355
Other DfE/ESFA grants	-	30	30
	-	7,389	7,389
Other government grants			
Other government grants	-	3	3
Local authority grants	-	301	301
	-	304	304
	-	7,693	7,693

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000
Lettings income	-	15	15
Trip income	-	7	7
Other income	-	22	22
Catering income	-	37	37
	-	81	81
	-	81	81

5. INVESTMENT INCOME

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000
Investment income	1	-	1
	1	-	1

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

6. DIRECT COSTS

	Educational activities £000	Total 2018 £000
Educational supplies	177	177
Staff recruitment and training	49	49
Other direct costs	44	44
Examination fees	94	94
Technology costs	59	59
Educational consultancy	58	58
Supply teaching costs	355	355
Wages and salaries	3,531	3,531
National insurance	365	365
Pension cost	537	537
	5,269	5,269
	5,269	5,269

7. SUPPORT COSTS

	Educational activities £000	Total 2018 £000
Pension finance cost	54	54
Technology costs	49	49
Maintenance of premises and equipment	60	60
PFI contract	966	966
Energy costs	26	26
Rent and rates	91	91
Cleaning	2	2
Insurance	28	28
Other staff costs	40	40
Licences and subscriptions	37	37
Professional fees	109	109
Printing postage and stationery	57	57
Support staff supply costs	31	31
Governance costs	10	10
Other support costs	15	15
Catering	48	48
Wages and salaries	586	586
National insurance	46	46
Pension cost	208	208
Depreciation	408	408
	2,871	2,871
	2,871	2,871

DORMERS WELLS LEARNING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018**

8. EXPENDITURE

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000
Educational activities:				
Direct costs	4,788	-	481	5,269
Support costs	871	586	1,414	2,871
	<u>5,659</u>	<u>586</u>	<u>1,895</u>	<u>8,140</u>

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £000	Support costs 2018 £000	Total 2018 £000
Educational activities	<u>5,269</u>	<u>2,871</u>	<u>8,140</u>

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £000
Depreciation of tangible fixed assets:	
- owned by the charity	409
Auditors' remuneration - audit	8
Auditors' remuneration - other services	2
	<u>419</u>

DORMERS WELLS LEARNING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018**

11. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £000
Wages and salaries	4,117
Social security costs	411
Operating costs of defined benefit pension schemes	745
	5,273
Teaching supply costs	355
Support staff supply costs	31
	5,659

b. Staff numbers

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

	2018 No.
Teachers	83
Support staff	35
Management	10
	128

c. Higher paid staff

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

	2018 No.
In the band £60,001 - £70,000	4
In the band £70,001 - £80,000	1
In the band £80,001 - £90,000	1
In the band £90,001 - £100,000	1

d. Key management personnel

The key management personnel of the academy comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy was £560,160.

12. CENTRAL SERVICES

No central services were provided by the academy to its academies during the period and no central charges arose.

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

13. TRUSTEES' REMUNERATION AND EXPENSES

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

		2018
		£000
R Walsh	Remuneration	95-100
	Pension contributions paid	15-20
J Taylor	Remuneration	70-75
	Pension contributions paid	10-15

During the period ended 31 August 2018, no Trustees received any reimbursement of expenses.

14. TRUSTEES' AND OFFICERS' INSURANCE

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

15. PENSION FINANCE COST

	2018
	£000
Interest income on pension scheme assets	15
Interest on pension scheme liabilities	(69)
	<hr/>
	(54)
	<hr/> <hr/>

DORMERS WELLS LEARNING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018

16. TANGIBLE FIXED ASSETS

	Freehold property £000	Computer equipment £000	Total £000
Cost			
At 15 November 2017	-	-	-
Additions	34,700	18	34,718
At 31 August 2018	34,700	18	34,718
Depreciation			
At 15 November 2017	-	-	-
Charge for the period	408	1	409
At 31 August 2018	408	1	409
Net book value			
At 31 August 2018	34,292	17	34,309

17. DEBTORS

	2018
	£000
Trade debtors	8
Other debtors	179
Prepayments and accrued income	142
	329
	329

18. CREDITORS: Amounts falling due within one year

	2018
	£000
Trade creditors	1
Other taxation and social security	195
Accruals and deferred income	132
	328
	328

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

19. STATEMENT OF FUNDS

	Balance at 15 November 2017 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds					
General Funds - all funds	-	7	-	-	7
Restricted funds					
Restricted Funds - all funds	-	10,225	(7,614)	-	2,611
Pension reserve	-	(3,551)	(118)	162	(3,507)
	-	6,674	(7,732)	162	(896)
Restricted fixed asset funds					
Restricted Fixed Asset Funds - all funds	-	34,737	(408)	-	34,329
Total restricted funds	-	41,411	(8,140)	162	33,433
Total of funds	-	41,418	(8,140)	162	33,440

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

Restricted fixed asset funds have been increased by capital grants provided by the DfE and reduced by depreciation charges.

Restricted general funds have been increased by revenue grants provided by the DfE and reduced by expenditure incurred in the operation of the academy.

The restricted funds can only be used in terms of limitations imposed the the Funding Agreement with the DfE and the terms of any specific grant.

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

DORMERS WELLS LEARNING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018

19. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £000
Dormers Wells High School	2,262
Dormers Wells Junior School	356
	2,618
Total before fixed asset fund and pension reserve	34,329
Restricted fixed asset fund	(3,507)
Pension reserve	(3,507)
	33,440
Total	33,440

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2018 £000
Dormers Wells High School	3,828	695	151	1,672	6,346
Dormers Wells Junior School	960	176	26	224	1,386
	4,788	871	177	1,896	7,732
	4,788	871	177	1,896	7,732

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	34,309	34,309
Current assets	7	2,939	20	2,966
Creditors due within one year	-	(328)	-	(328)
Provisions for liabilities and charges	-	(3,507)	-	(3,507)
	7	(896)	34,329	33,440
	7	(896)	34,329	33,440

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

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

	2018 £000
Net income for the year (as per Statement of Financial Activities)	33,278
Adjustment for:	
Depreciation charges	408
Assets transferred on conversion	(34,700)
Dividends, interest and rents from investments	(1)
Increase in debtors	(329)
Increase in creditors	328
Capital grants from DfE and other capital income	(37)
Defined benefit pension scheme obligation inherited	3,551
Defined benefit pension scheme cost less contributions payable	64
Defined benefit pension scheme finance cost	54
	2,616
Net cash provided by operating activities	2,616

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £000
Cash in hand	2,637
Total	2,637

23. CONVERSION TO AN ACADEMY TRUST

On 1 January 2018 and 1 February 2018 Dormers Wells High School and Dormers Wells Junior School respectively converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Dormers Wells Learning Trust from London Borough of Ealing 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 Assets transferred 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 £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Freehold land and buildings	-	-	34,700	34,700
Budget surplus/(deficit) on LA funds	-	2,451	-	2,451
LGPS pension surplus/(deficit)	-	(3,551)	-	(3,551)
	-	(1,100)	34,700	33,600
Net assets/(liabilities)	-	(1,100)	34,700	33,600

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

24. 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 London Borough of Ealing. Both are multi-employer defined benefit pension schemes.

As described in note 23 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2018.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

The employer's pension costs paid to TPS in the period amounted to £488,000.

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2018 was £223,000., of which employer's contributions totalled £175,000. and employees' contributions totalled £48,000. The agreed contribution rates for future years are 25.3% to 31% for employers and 5.5% to 12.5% for employees.

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

Principal actuarial assumptions:

	2018
Discount rate for scheme liabilities	2.80 %
Rate of increase in salaries	3.35 %
Rate of increase for pensions in payment / inflation	2.20 %
Inflation assumption (CPI)	2.10 %

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

	2018
Retiring today	
Males	23.1
Females	23.2
Retiring in 20 years	
Males	25.3
Females	25.4

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

24. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £000
Equities	625
Corporate bonds	236
Property	96
Cash and other liquid assets	92
	1,049
Total market value of assets	1,049

The actual return on scheme assets was £12,000.

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £000
Current service cost	(234)
Interest income	15
Interest cost	(69)
Admin expenses	(5)
	(293)
Total	(293)
Actual return on scheme assets	12

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

	2018 £000
Upon conversion	4,346
Current service cost	234
Interest cost	69
Employee contributions	48
Actuarial gains	(141)
	4,556
Closing defined benefit obligation	4,556

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

24. PENSION COMMITMENTS (continued)

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

	2018
	£000
Upon conversion	795
Interest income	15
Actuarial gains	21
Employer contributions	175
Employee contributions	48
Admin expenses	(5)
	<hr/>
Closing fair value of scheme assets	1,049
	<hr/> <hr/>

25. OTHER FINANCIAL COMMITMENTS

The academy trust is committed to a PFI agreement to provide the buildings and services on one of the sites from where the academy trust carries out its operations until 31 March 2038. The payment due in 1 year is £1,500,000, the amount due between 1 and 5 years is £6,463,704, and the balance of £34,321,332 is due after 5 years.

26. MEMBERS' LIABILITY

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

27. RELATED PARTY TRANSACTIONS

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

Mr J Jones, a trustee, provided services during the year to Dormers Wells Academy Trust to the sum of £720. At the year end, there was £NIL amount owing to him.

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 13.