

Company Registration Number: 11066479 (England & Wales)

DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)

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DORMERS WELLS LEARNING TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	J Basran J Jones C O'Neil J Reavley J Jardine
Trustees	R Walsh, Chief Executive Officer C Anderson, Chair of Trustees A Bali J Basran S Isman J Jones J Taylor F Braza A Kejriwal
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 Marker, Associate Assistant Headteacher of DWHS D McCarthy, Associate Assistant Headteacher of DWHS S Girvan, Assistant Headteacher of DWHS H Tippins, Assistant Headteacher of DWHS B Ramsland, Assistant Headteacher of DWHS J Taylor, Headteacher of DWJS H Patel, Interim Headteacher of DWIS H Oghra, Chief Financial Officer
Independent auditors	Landau Baker Limited Chartered Accountants Mountcliff House 154 Brent Street London NW4 2DR
Bankers	Lloyds Bank 39 Threadneedle Street London EC2R 8AU

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

Solicitors

Eversheds Sutherland International LLP
1 Wood Street
London
EC2V 7WS

DORMERS WELLS LEARNING TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Multi-Academy Trust operates three academies, Dormers Wells High School, Dormers Wells Junior and Dormers Wells Infant School for pupils aged 3 to 19 with admissions serving in the London Borough of Ealing.

Dormers Wells High School

In the October 2018 census, pre 16 students totaled 1187 and post 16 students totaled 195. In the October 2019 census, pre 16 students totaled 1192 and post 16 students totaled 242.

Dormers Wells Junior School

In the October 2018 census for students aged 5 to 10 totaled 432. The October 2019 census for the same age group was 411. Late admissions have been accepted after the census submission.

Dormers Wells Infant School

In the October 2018 census for students, aged 5 to 10 totaled 193 and under 5 totaled 128. The total was 321. In the October 2019 census for students, aged 5 to 10 totaled 172 and under 5 totaled 112. The total was 284.

Structure, governance and management

a. Constitution

The academy trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing document 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 year, and to the date these accounts are approved 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 shall be indemnified out of the assets of the academy 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.

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

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The management of the academy is the responsibility of the Trustees 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
- o Up to 4 co-opted by the LGB
- 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 Headteacher's 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 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 Headteacher is directly responsible for the day-to-day running of the academy and is assisted by a senior leadership team.

Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by use of budgets and making major decisions about the direction of the academy, including capital expenditure and senior staff appointments.

The Chief Executive Officer assumes the Accounting Officer role.

g. Arrangements for setting pay and remuneration of 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 LGB 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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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

h. Related parties and other connected charities and organisations

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

Objectives and activities

a. Objects and aims

The principal object and activity of the academy is the operation of Dormers Wells Learning Trust (DWLT) is to provide a broad and balanced education for pupils of all abilities between the ages of 3-19. 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 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. 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
- Further improve students' independent learning skills across all subject areas

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

Objectives and activities (continued)

Personal Development and Well-being

- 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

Outcomes for pupils in achievement across all subjects

- Continue to raise standards of achievement across all year groups by continuing to set challenging targets (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 groups

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.

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.

Dormers Wells Learning Trust raised £1,477.25 for various charities including CALM and Comic Relief. All of this money has been passed on to the relevant charities. The Trust also received £500.00 from Caterlink UK towards the redecoration project of the joint DWIS & DWJS dining hall.

d. Strategic report

Achievements and performance

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

d. Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

a. KEY PERFORMANCE INDICATORS

Dormers Wells High School

Year	P8	A8	5+E/M
2018-19	0.63	51 (46.5)	58% (43.0%)
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 2018-19 Actual Res			
Title		Total	Percentage
	Total number of students	237	
Entries			
	Entries achieving a grade 9 to 8 (Inc A*)	241	14.09
	Entries achieving a grade 9 to 7 (Inc A*-A)	454	26.53
	Entries achieving a grade 9 to 5 (Inc A*-B)	1044	61.02
	Entries achieving a grade 9 to 5 (Inc A*-C)	1048	61.25
	Entries achieving a grade 9 to 4 (Inc A*-C)	1297	75.8
	Total Entries	1711	
	Average Entries per	7.22	
Performance			

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

d. Strategic report (continued)

Achievements and performance (continued)

	Pupils with 9 to 4 in English and mathematics	183	78%
	Pupils with 9 to 5 in English and mathematics	136	58%

	Pupils with 5+ 9-5 (inc. English and mathematics)	121	51%
Progress8			
	Progress8 Entries	219	
	Progress8 Score	0.63	
	Attainment8	51.09	
Subject Related			
	Pupils Entered for English Bacallaureate	26	11.06%
	Pupils Achieving the English Bacallaureate (% of Pupils)	23	9.79%
	Pupils Achieving the English Bacallaureate (% of Entries)	23	88.46%

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TRUSTEES' REPORT (CONTINUED)
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d. Strategic report (continued)

Achievements and performance (continued)

English			
	English Entries	234	99.57%
	Pupils achieving 9 to 7 in English (% of Entries)	74	31.62%
	Pupils achieving 9 to 7 in English (% of Pupils)	74	31.49%
	Pupils achieving 9 to 4 in English (% of Entries)	196	83.76%
	Pupils achieving 9 to 4 in English (% of Pupils)	196	83.40%
Maths			
	Maths Entries	234	99.57%
	Pupils achieving 9 to 7 in Maths (% of Entries)	84	35.90%
	Pupils achieving A* to A/ 9 to 7 in Maths (% of Pupils)	84	35.74%

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

d. Strategic report (continued)

Achievements and performance (continued)

	Pupils achieving 9 to 4 in Maths (% of Entries)	195	83.33%
	Pupils achieving 9 to 4 in Maths (%of Pupils)	195	82.98%

Science			
	Pupils entered for 1 or more Sciences	234	99.57%
	Pupils achieving 1 or more Sciences 9 to 4	174	74.04%
	Pupils achieving 1 or more Sciences 9 to 4 (% of Entries)	174	74.36%
	Pupils entered for 2 or more Sciences	234	99.57%
	Pupils achieving 2 or more sciences 9 to 4	149	72.34%
	Pupils achieving 2 or more sciences 9 to 4 (% of Entries)	149	72.65%
	Pupils entered for Three Sciences	139	59.15%
	Pupils achieving Three Sciences 9 to 4	107	45.53%
	Pupils achieving Three Sciences 9 to 4 (% of Entries)	107	76.98%
MFL			
	1 MFL grade 9-4 (% Of Entries)	42	97.67%
	1 MFL grade 9-4 (% Of Pupils)	42	17.87%

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

d. Strategic report (continued)

Achievements and performance (continued)

Dormers Wells Junior School

(There are no DFE progress measures available for the Infant School)

Progress in Reading

	2017	2018	2019
Number of pupils	73	92	99
School progress score	-3.16	-1.20	-2.7
Confidence interval	-4.6 to -1.8	-2.4 to 0.0	-3.5 to -1.1
Progress banding	Well below average	Average	Below Average
LA Average	0.62	0.46	0.89
National Average	0.00	0.03	0.03

Progress in Writing

	2017	2018	2019
Number of pupils	73	92	99
School progress score	0.19	1.76	0.57
Confidence interval	-1.2 to 1.6	0.6 to 3.0	-0.6 to 1.7
Progress banding	Average	Above average	Average
LA Average	0.92	0.57	0.6
National Average	0.00	0.03	0.03

Progress in Mathematics

	2017	2018	2019
Number of pupils	73	92	99
School progress score	0.20	0.64	-2.01
Confidence interval	-1.1 to 1.5	-0.5 to 1.7	-3.1 to -0.9
Progress banding	Average	Average	Below average
LA Average	1.82	1.38	1.55
National Average	0.00	0.03	0.03

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

d. Strategic report (continued)

Achievements and performance (continued)

School Absence Data

Dormers Wells High School

Attendance at Dormers Wells High School is high, at the end of the first half term (Friday 18th October), it is at 97.4% 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 2019 is 97.1% (1.1% above benchmarked schools-Benchmark D)

Dormers Wells Infant School

attendance figures to October 2019 is 96.8% (0.1% above benchmarked schools-Benchmark A)

Going concern

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

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

d. Strategic report (continued)

Achievements and performance (continued)

b. Financial review

Dormers Wells Learning Trust was formed and incorporated on 1st January 2018 and included Dormers Wells High School and Dormers Wells Junior School. Dormers Wells Infant School joined Dormers Wells Learning Trust on 1st January 2019. Dormers Wells Learning Trust was the sponsor for both Dormers Wells Junior School and Dormers Wells Infant School.

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 12 month period ended 31 August 2019 for Dormers Wells High School and Dormers Wells Junior school and the 8 month period for Dormers Wells Infant School 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 September 2018 to 31st August 2019. Therefore, 12 months of grants, income and expenditure are recorded in these accounts compared to eight months for the last financial year. During the period, income including ESFA/LA grants received totaled £9.844m. Other income included within restricted funds totaled £159k. Restricted fund expenditure totaled £9.668m.

The main source of unrestricted income is donations, totaling to £1k. This was for various charities including CALM and Comic Relief.

Other income in restricted funds includes the transfer of £25k from the DfE for the conversion of Dormers Wells Infant School into Dormers Wells Learning Trust, as well as the Teachers Pay Grant and the FSM supplementary grant.

Dormers Wells High School is a PFI school, which 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 will be life cycled through the life of 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, which 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 2019, there is an operating surplus of funds totaling £2.709m, which was mainly due to the academy surplus of 2017/2018 in the amount of £2.262m. Large investment plans for IT are being incorporated into a Trust wide IT strategy, to ensure maximum discount and redeployment savings. The strategy will also encompass the need for IT investment to match the aims and priorities of Teaching and Learning.

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 facilities in both the short and long 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 September 2018 to 31st August 2019. Therefore, 12 months of grants, income and expenditure are recorded in these accounts compared to seven months for the last financial year.

During the period, income including ESFA/LA grants received totaled £2.5m. Other income included within restricted funds totaled £70K. Restricted fund expenditure totaled £2.5m.

Other government grant income in restricted funds includes the Teachers Pay Grant, P.E sports grant; SEN high

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

d. Strategic report (continued)

Achievements and performance (continued)

needs top up funding.

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 2019, there is an operating surplus of funds totaling £515k, which was mainly due to the academy surplus of 2017/2018 in the amount of £356k. 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. Further to this, the restructuring process afforded some savings with further savings to be achieved in the next financial year. Stringent controls over investment, cashflow and expenditure have enabled this surplus.

Overall, Dormers Wells Junior School finished the year with a healthy surplus that has enabled them to balance the budget for the following financial year. The school is currently not at 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. However, the Trust has been investing in acquiring best value, consolidating contacts and a restructured staffing structure to mitigate the financial risk to the academy and the Trust.

Dormers Wells Infant School

The financial year for Dormers Wells Infant School for the purpose of these accounts covered the period 1st January 2019 to 31st August 2019. Therefore, 8 months of grants, income and expenditure are recorded in these accounts.

During the period, income including ESFA/LA grants received totaled £1.3m. Other income included within restricted funds totaled to £4K. Restricted fund expenditure totaled £1.16m.

Other government grant income in restricted funds includes the Teachers Pay Grant, P.E sports grant; SEN high needs top up funding and £85k from the DfE for the conversion grant.

It is important to note that on conversion, Dormers Wells Infant School did not have any cash reserves to transfer to the 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 2019, there is an operating surplus of funds totaling £297k. Stringent procedures and processes were implemented into Dormers Wells Infant School and financial decisions were delegated to the CEO and CFO of the Trust. Careful consideration has been given to contracts and spending in the Infant school to ensure that the year would not close on an in year deficit and aimed to achieve an optimistic surplus balance for 2018/2019. Further to this, the restructuring process afforded some savings with further savings to be achieved in the next financial year. Robust controls over investment, cashflow and expenditure have enabled the surplus closing of Dormers Wells Infant School.

Overall, Dormers Wells Infant School finished the year with a good surplus that has enabled them to balance the budget for the following financial year. The school is currently not at 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. However, the Trust has been investing in acquiring best value, consolidating contacts and a restructured staffing

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

d. Strategic report (continued)

Achievements and performance (continued)

structure to mitigate the financial risk to the academy and the Trust.

The CFO of the Trust has been working closely with Dormers Wells Junior and Dormers Wells Infant Schools. A new Trust Finance Manager was appointed in March 2019, replacing the Bursar at the Junior School. The Trust Finance Manager will be working across all three academies in the Trust mainly focusing on the Junior and Infant Schools. A senior Finance Officer works in the High School and there were a number of unfilled vacancies in the finance department of the Trust from January 2019. Successful appointments were made to these vacant posts in October 2019. 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.

a. 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:

- permanent endowment funds
- expendable endowment funds
- restricted income funds or 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

'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 revenues level.

Total reserves at the end of the period amounted to £3.521m. This balance includes unrestricted funds (free reserves) of £29k, which is considered appropriate for the academy trust, and restricted funds of £3.492m.

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 considers this fact 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.

b. Investment 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 2019, no investments were held.

DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)

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

d. Strategic report (continued)

(continued)

c. 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 and Infant Schools 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. Since the trust has been established, Interim Audits, Responsible Officer Audits and Final Audits have all been conducted.

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.

Plans for future periods

The trust has increased its number of academies within its Multi-Academy Trust to 3 as planned for last year. Plans and proposals are currently being undertaken with the current Junior and Infant Schools 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. This has already been administered and savings with a Trust payroll provider have been implemented in this financial year. The Trust will continue to look at large contractors and tender for services to ensure best value and benchmarking is achieved.

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 and Infant Schools. The High School will be focusing on the improved IT infrastructure within the school itself and the trust.

Funds held as custodian on behalf of others

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

DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)

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

Disclosure of information to auditors

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 steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the 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 and signed on its behalf by:

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 4 times during the year.

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

Trustee	Meetings attended	Out of a possible
R Walsh, Chief Executive Officer	4	4
C Anderson, Chair of Trustees	4	4
A Bali	3	4
J Basran	1	4
S Isman	4	4
J Jones	4	4
J Taylor	4	4

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 resources 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 was 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
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the Headteacher/ Chief 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
- o Trust Payroll Provider
- o Trust Absence Insurance

Dormers Wells High School has provided executive and leadership support to Dormers Wells Junior School and Dormers Wells Infant 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 and Infant Schools. 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, Dormers Wells Junior School or Dormers Wells Infant School.

6 recommendations identified have all been implemented in DWHS.

5 recommendations identified have all been implemented in DWJS.

5 recommendations identified have all been implemented in DWIS.

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 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 year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

The academy'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 Finance and general purposes committee on the operation of the systems of control and on the discharge of the 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
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

- the work of the 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 Finance and general purposes committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on 19 December 2019 and signed on their behalf by:

C Anderson
Chair of Trustees



D Fenlon
Interim 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 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, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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



D Fenlon
Interim Accounting Officer
Date: 19 December 2019

DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)

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

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

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

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

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

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

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

Approved by order of the members of the board of Trustees on 19 December 2019 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 year ended 31 August 2019 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy 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.

DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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.

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

19 December 2019

DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S 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 2018 to 2019, 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 year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 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 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 15 November 2017 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S 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 suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Landau Baker Limited

Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 19 December 2019

DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)

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

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Note					
Income from:					
Donations and capital grants	3	20	(1,012)	1,813	821
Charitable activities		-	13,658	-	13,658
Other trading activities		-	233	-	233
Investments	6	2	-	-	2
		<u>22</u>	<u>12,879</u>	<u>1,813</u>	<u>14,714</u>
Total income					
Expenditure on:					
Charitable activities	8	-	13,443	639	14,082
		<u>-</u>	<u>13,443</u>	<u>639</u>	<u>14,082</u>
Total expenditure					
Net movement in funds before other recognised gains/(losses)					
		<u>22</u>	<u>(564)</u>	<u>1,174</u>	<u>632</u>
Other recognised gains/(losses):					
Actuarial losses on defined benefit pension schemes	25	-	(1,423)	-	(1,423)
		<u>22</u>	<u>(1,987)</u>	<u>1,174</u>	<u>(791)</u>
Net movement in funds					
Reconciliation of funds:					
Total funds brought forward		7	(896)	34,329	33,440
Net movement in funds		22	(1,987)	1,174	(791)
		<u>29</u>	<u>(2,883)</u>	<u>35,503</u>	<u>32,649</u>
Total funds carried forward					

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 32 to 54 form part of these financial statements.

DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)

BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	15	35,470	34,309
		35,470	34,309
Current assets			
Debtors	16	689	329
Cash at bank and in hand		3,604	2,637
		4,293	2,966
Creditors: amounts falling due within one year	17	(739)	(328)
		3,554	2,638
Total assets less current liabilities		39,024	36,947
Net assets excluding pension liability		39,024	36,947
Defined benefit pension scheme liability	25	(6,374)	(3,507)
Total net assets		32,650	33,440
Funds of the academy			
Restricted funds:			
Fixed asset funds	19	35,503	34,329
Restricted income funds	19	3,492	2,611
		38,995	36,940
Restricted funds excluding pension asset	19	38,995	36,940
Pension reserve	19	(6,374)	(3,507)
		32,621	33,433
Total restricted funds	19	32,621	33,433
Unrestricted income funds	19	29	7
		32,650	33,440
Total funds		32,650	33,440

The financial statements on pages 29 to 54 were approved by the Trustees, and authorised for issue on 19 December 2019 and are signed on their behalf, by:

The notes on pages 32 to 54 form part of these financial statements.

DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Net cash provided by operating activities	21	952	2,616
Cash flows from investing activities	22	15	21
Change in cash and cash equivalents in the year		967	2,637
Cash and cash equivalents at the beginning of the year		2,637	-
Cash and cash equivalents at the end of the year	23	<u>3,604</u>	<u>2,637</u>

The notes on pages 32 to 54 form part of these financial statements

DORMERS WELLS LEARNING TRUST
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Dormers Wells Learning Trust meets the definition of a public benefit entity under 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy'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 incoming resources are recognised when the academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the academy has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the academy, can be reliably measured.

• **Grants**

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

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

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

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

1. Accounting policies (continued)

1.3 Income (continued)

which they are expended.

• **Donations**

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

• **Transfer on conversion**

Where assets and liabilities are received by the academy on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the academy. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

1.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

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

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

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1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

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.

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.

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

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

1.9 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. 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 cost as detailed in note 17. 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.

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

1. Accounting policies (continued)

1.10 Pensions

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

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

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

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

1.11 Conversion to an academy trust

The conversion from a state maintained school to an academy 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 Wells Infant School to the academy have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

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

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

1. Accounting policies (continued)

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Donations	20	-	-	20	6
Capital grants	-	-	153	153	37
Transfer from local authority on conversion	-	(1,012)	1,660	648	33,600
	20	(1,012)	1,813	821	33,643
<i>Total 2018</i>	6	(1,100)	34,737	33,643	

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

4. Funding for the academy's educational activities

	Restricted funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
DfE/ESFA grants			
General Annual Grant	12,009	12,009	7,004
Other DfE/ESFA grants	719	719	385
	<u>12,728</u>	<u>12,728</u>	<u>7,389</u>
Other government grants			
Other government grants	211	211	3
Local authority grants	686	686	301
	<u>897</u>	<u>897</u>	<u>304</u>
Other funding			
Other income	33	33	-
	<u>13,658</u>	<u>13,658</u>	<u>7,693</u>

5. Income from other trading activities

	Restricted funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Lettings income	41	41	15
Trip income	67	67	7
Other income	67	67	22
Catering income	58	58	37
	<u>233</u>	<u>233</u>	<u>81</u>

6. Investment income

	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Bank interest	-	1

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

7. Expenditure

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000	Total 2018 £000
Educational activities:					
Direct costs	8,709	-	697	9,406	5,293
Allocated support costs	1,690	218	2,768	4,676	2,847
	<u>10,399</u>	<u>218</u>	<u>3,465</u>	<u>14,082</u>	<u>8,140</u>
<i>Total 2018</i>	<u>5,659</u>	<u>586</u>	<u>1,895</u>	<u>8,140</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Educational activities	14,082	14,082	8,140

9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £000	Support costs 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Educational activities	9,406	4,676	14,082	8,140
<i>Total 2018</i>	<u>5,293</u>	<u>2,847</u>	<u>8,140</u>	

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

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational activities 2019 £000	Total funds 2019 £000	<i>Total funds 2018 (restated) £000</i>
Staff costs	8,172	8,172	4,457
Educational supplies	217	217	177
Staff recruitment and training	76	76	49
Other direct costs	146	146	44
Examination fees	113	113	94
Technology costs	44	44	59
Educational consultancy	101	101	58
Supply teaching costs	537	537	355
	<u>9,406</u>	<u>9,406</u>	<u>5,293</u>

Analysis of support costs

	Educational activities 2019 £000	Total funds 2019 £000	<i>Total funds 2018 (restated) £000</i>
Pension finance cost	111	111	54
Staff costs	1,652	1,652	816
Depreciation	639	639	408
Technology costs	70	70	49
Maintenance of premises and equipment	77	77	60
PFI contract	1,298	1,298	966
Energy costs	44	44	26
Rent and rates	36	36	91
Cleaning	6	6	2
Insurance	55	55	28
Other staff costs	47	47	40
Professional fees	176	176	109
Supply staff supply costs	38	38	31
Governance costs	28	28	10
Other support costs	166	166	109
Catering	233	233	48
	<u>4,676</u>	<u>4,676</u>	<u>2,847</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £000	2018 £000
Depreciation of tangible fixed assets	639	409
Fees paid to auditors for:		
- audit	8	8
- other services	2	2
	649	419

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £000	2018 £000
Wages and salaries	7,455	4,117
Social security costs	760	411
Pension costs	1,502	745
	9,717	5,273
Supply teaching costs	537	355
Staff restructuring costs	107	-
Support staff supply costs	38	31
	10,399	5,659

Staff restructuring costs comprise:

	2019 £000	2018 £000
Redundancy payments	107	-
	107	-

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Staff costs (continued)

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	116	83
Support staff	96	35
Management	16	10
	228	128

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	13	4
In the band £70,001 - £80,000	3	1
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
	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 £1,391,517 (2018: £560,160).

12. Central services

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

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

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 staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019 £000	2018 £000
R Walsh, Chief Executive Officer	Remuneration	110 - 115	95 - 100
	Pension contributions paid	30 - 35	15 - 20
J Taylor	Remuneration	75 - 80	70 - 75
	Pension contributions paid	20 - 25	10 - 15

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

14. Trustees' and Officers' insurance

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

15. Tangible fixed assets

	Freehold property £000	Computer equipment £000	Total £000
Cost or valuation			
At 1 September 2018	34,700	18	34,718
Additions	1,660	140	1,800
At 31 August 2019	<u>36,360</u>	<u>158</u>	<u>36,518</u>
Depreciation			
At 1 September 2018	408	1	409
Charge for the year	620	19	639
At 31 August 2019	<u>1,028</u>	<u>20</u>	<u>1,048</u>
Net book value			
At 31 August 2019	<u>35,332</u>	<u>138</u>	<u>35,470</u>
At 31 August 2018	<u>34,292</u>	<u>17</u>	<u>34,309</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Debtors

	2019 £000	2018 £000
Due within one year		
Trade debtors	69	8
Other debtors	321	179
Prepayments and accrued income	299	142
	689	329
	689	329

17. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	161	1
Other taxation and social security	366	195
Accruals and deferred income	212	132
	739	328
	739	328
	2019 £000	2018 £000
Resources deferred during the year	53	-
	53	-

At the balance sheet date the academy trust was holding onto funds received in advance for the year 2019/20.

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

18. Financial instruments

	2019	2018
	£000	£000
Financial assets		
Financial assets measured at fair value through income and expenditure	3,604	2,637
Financial assets that are debt instruments measured at amortised cost	165	116
	<u>3,769</u>	<u>2,753</u>
	2019	2018
	£000	£000
Financial liabilities		
Financial liabilities measured at amortised cost	(319)	(134)
	<u>(319)</u>	<u>(134)</u>

Financial assets measured at fair value through income and expenditure comprise bank and cash balances.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

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

19. Statement of funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds					
General Funds - all funds	7	22	-	-	29
Restricted general funds					
Restricted Funds - all funds	2,611	13,892	(13,011)	-	3,492
Pension reserve	(3,507)	(1,012)	(432)	(1,423)	(6,374)
	<u>(896)</u>	<u>12,880</u>	<u>(13,443)</u>	<u>(1,423)</u>	<u>(2,882)</u>
Restricted fixed asset funds					
Restricted Fixed Asset Funds - all funds	34,329	1,813	(639)	-	35,503
Total Restricted funds	<u>33,433</u>	<u>14,693</u>	<u>(14,082)</u>	<u>(1,423)</u>	<u>32,621</u>
Total funds	<u><u>33,440</u></u>	<u><u>14,715</u></u>	<u><u>(14,082)</u></u>	<u><u>(1,423)</u></u>	<u><u>32,650</u></u>

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 it could carry forward at 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £000	2018 £000
Dormers Wells High School	2,709	2,262
Dormers Wells Junior School	515	356
Dormers Wells Infant School	297	-
Total before fixed asset funds and pension reserve	<u>3,521</u>	2,618
Restricted fixed asset fund	35,503	34,329
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. Statement of funds (continued)

	2019 £000	2018 £000
Pension reserve	(6,374)	(3,507)
Total	32,650	33,440

Total cost analysis by academy

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 2019 £000	Total 2018 £000
Dormers Wells High School	6,116	1,150	318	2,139	9,723	6,346
Dormers Wells Junior School	1,757	385	38	356	2,536	1,386
Dormers Wells Infant School	802	188	27	167	1,184	-
Academy	8,675	1,723	383	2,662	13,443	7,732

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

	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds				
General Funds - all funds	7	-	-	7
Restricted general 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)

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

	<i>Income</i> £000	<i>Expenditure</i> £000	<i>Gains/ (Losses)</i> £000	<i>Balance at 31 August 2018</i> £000
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 funds	41,418	(8,140)	162	33,440

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	35,470	35,470
Current assets	29	4,231	33	4,293
Creditors due within one year	-	(739)	-	(739)
Provisions for liabilities and charges	-	(6,374)	-	(6,374)
Total	29	(2,882)	35,503	32,650

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £000</i>	<i>Restricted funds 2018 £000</i>	<i>Restricted fixed asset funds 2018 £000</i>	<i>Total funds 2018 £000</i>
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)
Total	7	(896)	34,329	33,440

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

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

	2019 £000	2018 £000
Net income for the year (as per Statement of financial activities)	632	33,278
Adjustments for:		
Depreciation	639	408
Capital grants from DfE and other capital income	(153)	(37)
Interest receivable	(2)	(1)
Defined benefit pension scheme obligation inherited	1,012	3,551
Defined benefit pension scheme cost less contributions payable	321	64
Defined benefit pension scheme finance cost	111	54
Increase in debtors	(417)	(329)
Increase in creditors	469	328
Assets transferred on conversion	(1,660)	(34,700)
Net cash provided by operating activities	952	2,616

22. Cash flows from investing activities

	2019 £000	2018 £000
Dividends, interest and rents from investments	2	1
Purchase of tangible fixed assets	(140)	(17)
Capital grants from DfE Group	153	37
Net cash provided by investing activities	15	21

23. Analysis of cash and cash equivalents

	2019 £000	2018 £000
Cash in hand	3,604	2,637
Total cash and cash equivalents	3,604	2,637

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Conversion to an academy trust

On 1 January 2019 Dormers Wells Infant School 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 heading with a corresponding net amount recognised as a net gain in the Statement of financial activities 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.

	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets			
Freehold land and buildings	-	1,660	1,660
Non-current liabilities			
LGPS pension deficit	(1,012)	-	(1,012)
Net (liabilities)/assets	<u>(1,012)</u>	<u>1,660</u>	<u>648</u>

25. Pension commitments

The academy'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 schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2019.

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

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25. Pension commitments (continued)

Teachers' Pension Scheme

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

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

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

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website- <https://www.teacherspensions.co.uk/public/login.aspx>.

Scheme Changes

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

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

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

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25. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £508,000 (2018 - £223,000), of which employer's contributions totalled £409,000 (2018 - £175,000) and employees' contributions totalled £ 99,000 (2018 - £48,000). The agreed contribution rates for future years are 25.3 - 31 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.25	3.35
Rate of increase for pensions in payment/inflation	2.10	2.20
Discount rate for scheme liabilities	1.80	2.80
Inflation assumption (CPI)	2.00	2.10

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	23.2	23.1
Females	23.3	23.2
<i>Retiring in 20 years</i>		
Males	25.4	25.3
Females	25.5	25.4

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

	At 31 August 2019	At 31 August 2018
	£000	£000
Equities	961	625
Corporate bonds	384	236
Property	149	96
Cash and other liquid assets	118	92
Other	6	-
Total market value of assets	1,618	1,049

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25. Pension commitments (continued)

The actual return on scheme assets was £71,000 (2018- 12,000).

The amounts recognised in the Statement of financial activities are as follows:

	2019 £000	2018 £000
Current service cost	(494)	(234)
Past service cost	(225)	-
Interest income	37	15
Interest cost	(148)	(69)
Administrative expenses	(11)	(5)
Total amount recognised in the Statement of financial activities	(841)	(293)

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

	2019 £000	2018 £000
At 1 September	4,556	-
Conversion of academy trusts	1,012	4,346
Current service cost	494	234
Interest cost	148	69
Employee contributions	99	48
Actuarial losses/(gains)	1,458	(141)
Past service costs	225	-
At 31 August	7,992	4,556

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

	2019 £000	2018 £000
At 1 September	1,049	-
Conversion of academy trusts	-	795
Interest income	37	15
Actuarial gains	35	21
Employer contributions	409	175
Employee contributions	99	48
Administrative expenses	(11)	(5)
At 31 August	1,618	1,049

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26. 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.

27. Members' liability

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

28. Related party transactions

Mr Jones, a Trustee, provided services during the year to Dormers Wells Learning Trust to the sum of £2,840 (2018: £720) for Judo classes. At the year end, there was £Nil (2018: £Nil) 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.

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