

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the academy, its governors and advisers	1 - 2
Governors' report	3 - 10
Governance statement	11 - 13
Statement on regularity, propriety and compliance	14
Governors' responsibilities statement	15
Independent auditor's report	16 - 17
Independent reporting accountant's assurance report on regularity	18 - 19
Statement of financial activities	20 - 21
Balance sheet	22
Cash flow statement	23
Notes to the financial statements	24 - 45

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS/ TRUSTEES
AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2015**

Members	Mrs R Clayton Mr G Daly Mr J McCann
Trustees	Mrs B Bignold (appointed 30 April 2015) Mrs R Clayton, Chair (appointed 6 November 2014) Mr G Daly (appointed 6 November 2014) Mrs J S Herriman (appointed 19 March 2015) Mr J McCann (appointed 6 November 2014) Mr J Murray (appointed 19 March 2015) Mrs J Peach (appointed 19 March 2015) Mrs D Stewart (appointed 10 September 2015) Mrs F Cole (appointed 15 October 2015) Mrs G Knowlton-Maile (appointed 15 October 2015) Mrs E M Wilson (appointed 15 October 2015)

The Finance and Audit Committee was set up after the 31st August 2015

**Company registered
number**

09299605

**Principal and registered
office**

The Duston School
Berrywood Road
Northampton
NN5 6XA

Clerk to the Governors

Mrs C Beck

**Executive Principal and
Accounting Officer**

Mrs J S Herriman

**Senior Leadership
Team**

Mrs J S Herriman, Executive Principal
Mrs M Raine, Vice Principal
Mrs J Giovanelli, Vice Principal
Miss C Furniss, Director of Teaching School/Assistant Principal
Mrs D Robinson, Vice Principal (Primary)
Mrs N Adams, Assistant Principal
Mr B Baines, Assistant Principal
Mr S Beal, Assistant Principal
Mrs R Gant, Assistant Principal
Miss S Nelson, Assistant Principal
Miss N Weston, Assistant Principal
Mr T Wise, Assistant Principal

Independent auditor

MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
Peterbridge House
The Lakes
Northampton
NN4 7HB

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS/ TRUSTEES
AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2015**

Administrative details (continued)

Bankers	Lloyds Bank Plc 2 George Row Northampton NN1 1DJ
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2015

The Governors present their annual report together with the financial statements and auditor's report of the Charitable Company for the period 6 November 2014 to 31 August 2015. The annual report serves the purposes of both a Governors' Report and a Directors' Report under company law.

The financial statements have been prepared in accordance with the accounting policies on pages 24 - 27 of the attached financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 ('SORP 2005, 2nd edition').

The trust operates an all through academy for pupils aged 11 to 19 serving a catchment area in Duston, Northampton. It has a pupil capacity of 1,400 and a roll of 1,395 in the school census on 15th January 2015.

Structure, governance and management

CONSTITUTION

The Academy Trust, known as The Duston Education Trust (TDET), was incorporated on 6 November 2014 and it took over the running of the Academy from 1 March 2015. The Academy Trust is a private company limited by guarantee with no share capital (registration no. 09299605) and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy. The Academy was formed under the provision of the Academies Act 2010. The Duston School, as an Outstanding Foundation school, converted to an Academy on 1 June 2012 but the Academy Trust only took over the running of the Academy from 1 March 2015. The Governors act as the trustees for the Charitable activities of The Duston School and are also the Directors of the Charitable Company for the purposes of company law. Details of the governors who served throughout the period are included in the reference and administrative details on page 1.

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.

GOVERNORS' INDEMNITIES

Subject to the provisions of the Companies Act 2006, every Governor or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust. Details of the costs can be found in note 12 of the accounts.

PRINCIPAL ACTIVITIES

The Academy Trust's aim is specifically restricted to the advancement of public benefit education in the United Kingdom, by the establishment, maintenance, management and development of an independent school at The Duston School, Berrywood Road, Northampton NN5 6XA. The Academy offers a broad and balanced curriculum satisfying the requirements of section 78 of the Education Act 2002, providing free education for pupils of different abilities. The Academy provides for the education of students in the town of Northampton.

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

The first Governors were those named on incorporation. Subject to Articles 48 and 49, the Academy Trust shall have the following Governors:

- a. Up to 10 Governors, appointed under Article 50;
- b. A minimum of two Parent Governors appointed under Articles 53-58;
- c. Up to 2 Staff Governors, subject to Article 50A; and
- d. The Executive Principal

The Governors shall, each school year, elect a Chair and a Vice-Chair from among their number. A Governor who is employed by the Academy Trust shall not be eligible for election as Chair or Vice-Chair.

Provision for resignation, removal and disqualification of Governors are specified in the Articles of Association of TDET.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

New Governors are given access to documents which specify the remits and roles of the committees and guidance for Governors. All new Governors are given the relevant Safeguarding Training. Governor training sessions are organised throughout the year. Relevant training courses (including Safeguarding Training) are organised by the Academy.

ORGANISATIONAL STRUCTURE

The Executive Principal is the Accounting Officer and has overall responsibility for the use of public money and the stewardship of its assets in the Academy. The Governing Body meets a minimum of 3 times an academic year and oversees the work of the committees.

Subject to the Articles, the Governors may establish any committee.

Subject to these Articles, the constitution, membership and proceedings of any committee shall be determined by the Governors. The establishment, terms of reference, constitution and membership of any committee of the Governors shall be reviewed at least once in every twelve months. The membership of any committee of the Governors may include persons who are not Governors, provided that a majority of members of any such committee shall be Governors. The Governors may determine that some or all of the members of a committee who are not Governors shall be entitled to vote in any proceedings of the committee. No vote on any matter shall be taken at a meeting of a committee of the Governors unless the majority of members of the committee present are Governors.

The appointment and appraisal of the Executive Principal is reserved for Governors, as is the investigation of any financial irregularities. The appointment of the Chair and Vice-Chair of Governors is also reserved for the Governing Body. The Academy Trust seeks to involve a Governor in the interview panel for the recruitment and appointment of Vice Principals, Assistant Principals and Directors of Learning.

The Finance and Audit Committee will meet to consider the Academy Trust budget, regular financial reports and the annual accounts. The committee also approves the internal control mechanisms for ensuring that the Academy is operating efficiently and effectively and that proper accounting records are maintained. Spending against the Academy budget is delegated to Budget Holders. All spending is subject to senior staff authorisation.

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

TDET oversees Teach Northants which was accredited in May 2015 to open with 62 trainees starting in September 2016. This is a School Centred Initial Teacher Training (SCITT) provider across primary and secondary phases and is responsible for initial teacher training in partnership with twelve partner schools in the locality.

The Academy was awarded Teaching School status from October 2014 by the National College for Teaching and Leadership which TDET also oversees. Teaching Schools work in collaboration with other education establishments to further the training and professional development of the teaching workforce, and as such, The Duston School leads a flexible alliance of 15 partner schools from the area, including most within the local cluster of premises.

The Academy Trust is part of a PFI (Private Finance Initiative) with Northamptonshire County Council. Under this agreement, the trust contributes to the facilities management services provided by AMEY.

The Academy Trust is a member of Northampton Town AIP (NAIP) Limited which provides educational services to a collaboration of 68 schools across Northampton Town. The Executive Principal is a Director and Joint Chair of this partnership.

During this academic year, we have offered a range of support to other schools, working closely with Sir Herbert Leon Academy in Milton Keynes and Thomas Becket Catholic School in Northampton. Further to this, the Academy continues to work closely with local primary schools to support the provision of education across the cluster. Additional support has been provided to Finedon Mulso Primary School, Alfred Street Junior Primary School, The Good Shepherd Primary School and the Oundle group of schools in Northamptonshire, along with Charles Warren Primary Academy in Milton Keynes. This work is formally organised through our National Leaders of Education (NLEs) and Special Leaders of Education (SLEs) through Deployment Agreements and brokered by The Duston Teaching School Alliance.

Objectives and Activities

OBJECTS AND AIMS

The Governors have regard to the Charity Commission guidance on public benefit. Knowing the individual is at the heart of our vision. TDET expects the best of everyone involved within it and we recognize the transformative power of self-belief for all. Governors also have full regard for the objectives mentioned in the Articles of Association of the Academy Trust. We have an inherent belief in the following six principles:

1. Everyone is a leader.
2. Creating a can-do, solution focused culture.
3. Doing it and having impact – make a difference.
4. Attention to detail – follow up and follow through.
5. Understanding that making mistakes is okay – what's important is how we learn from them.
6. Being outward thinking - adopt a mindset of restless excellence.

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

Our aim is to ensure that all our children are happy, confident, resilient and self-critical learners who achieve their fullest personal and academic potential. We achieve this through:

- Providing high quality learning and teaching opportunities on a daily basis through effective classroom resourcing, extra-curricular opportunities, and pastoral care.
- Raising the standards of educational achievement of all pupils, and in particular closing the achievement gap between disadvantaged and non-disadvantaged pupils.
- Improving the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review and complying with curriculum requirements.
- Providing value for money for the funds expended.
- Building and maintaining close links with local, national and international industry and commerce to impact on the learning experience of our pupils.
- Conducting the Academy's business in accordance with the highest standards of professionalism, honesty and integrity.

EQUAL OPPORTUNITIES POLICY

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

DISABLED PERSON

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the Academy. The policy of the Academy is to support recruitment and retention of students and employees with disabilities.

PUBLIC BENEFIT

The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. We have referred to the guidance in the Charity Commissions general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Governors consider how planned activities will contribute to the aims and objectives they have set.

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

Strategic report

Achievements and performance

The Academy is a popular and over-subscribed Academy in Northampton Town where students achieve well. We believe that we have fulfilled our charitable purpose for the public benefit in the year 2014-15. Our Year 11 students achieve in line or above national average in all key performance indicators. This represents good progress as our cohort is significantly weaker than the national average. Our maths provision in particular is excellent and well above the national average progress measures. In addition, the achievement gap between our disadvantaged and non-disadvantaged students is less than the national gap and we are proud of our success in this regard. The results at A level enabled almost all the cohort to go to the university of their choice. The Academy continued its wide range of extra-curricular provision, trips and tours both, locally, nationally and internationally - sporting, musical, cultural, language exchanges, and charitable in nature. We also continue to build close working partnerships with a range of businesses, both locally and nationally, to help ensure our pupils are fully prepared to compete in a global market.

GOING CONCERN

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

KEY FINANCIAL PERFORMANCE INDICATORS

The Academy Trust met its aims and objectives for the academic year 2014-15 well within the grant income and reserves received. The effective management of cash flow and scheduling of capital expenditure meant that the Academy's cash balances were never exceeded by commitments.

The Academy uses a number of Key Financial Indicators to monitor financial successes of the Academy Trust: and progress improvement against the targets set.

These include:

- Staffing costs as % of total income (ex capital) 77.96%
- Teaching staff costs as % of Total staff costs 69.97%
- Staff costs as % of total expenditure (ex capital) 68.84%
- For the year ended 31/8/15 the PFI costs amounted to 6.65% of GAG income.
- Current Assets / Current Liabilities 1.66 times

The Academy Trust also uses a number of non-financial key performance indicators to monitor its performance which include:

- Teaching Staff to Support Staff ratio FTE : 1.5 :1
- Average Student attendance 94.36%
- Percentage of students achieving 5 A*-C (EM) 54.3%. PP gaps have decreased and are below 2014 national averages in all key areas. See final column in each chart for 2015 results compared to 2014 result and national average.

	All	Non-PP	%Non-PP	PP	%PP
2014 Result	227	167	73.10	59	25.99
2015 Result	238	167	73.10	64	26.89

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

Financial review

Most of the Academy's Trust income is obtained from the DfE in the form of recurrent grants disbursed via the Education Funding Agency (EFA), the use of which is restricted to particular purposes. The grants received from the DFE during the year ended 31/8/2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy Trust also received grants for fixed assets from the EFA. In accordance with the charities statement of recommended practice, 'Accounting and Reporting Charities' (SORP 2005), 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.

Other Government grants received during the period 1st March 2015 to 31st August 2015 include £86,421 of funds relating to the SCITT, Teaching School and the Core Maths project.

The LGPS for the Academy Trust has a deficit which is detailed in note 24 to the financial statements.

The Duston School is oversubscribed and risks to per pupil revenue funding from a falling roll are therefore small, however the reduction in Sixth Form funding levels, increasing cost pressures as a result of government policy, will put a strain on future budgets. The 1% pay award, 2.38% rise in TP employer contributions and 3.4 % rise in NI contributions from April 2016 will significantly increase the Academy's operational costs in future years.

RESERVES POLICY

The Academy Trust's reserve policy takes into account the risk of fluctuations in grant income and spending needs. In year reserves are set to cover staffing costs, PFI costs and other commitments, to fund changes in the curriculum, and to meet unexpected emergencies such as urgent maintenance.

In 2014-15, the Academy Trust used some of the reserves for refurbishment of rooms in the annex, investment into ICT and intensive curriculum support. The trustees review the reserve levels of the Academy annually. The review considers the nature of the income and expenditure streams, the need to match income with commitments, and the nature of the reserves.

Unrestricted funds are used for the general purposes of the Academy Trust, at the discretion of the Trustees.

Restricted funds will be spent in accordance with the terms of the particular funds. Demands on the Academy Trust restricted income funds will vary over the coming years. The Academy Trust policy is to ensure reserves are held to a prudent level designed to meet the long term cyclical needs of renewal and any other unforeseen contingencies

The deficit in the pension reserve relates to the non-teaching staff pension scheme where unlike the Teachers' Pension Scheme, separate assets are held to fund future liabilities. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits.

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

At 31 August 2015 the total funds comprised:

Unrestricted		98,065
Restricted:	Fixed asset funds	11,727,137
	GAG	-
	Pension reserve	(1,804,000)
	Other	<u>347,709</u>
		<u>10,368,911</u>

PRINCIPAL RISKS AND UNCERTAINTIES

Governors have assessed the major risks to which the Academy Trust is exposed and have identified those responsible for the management of these risks and planned mitigating action where possible. In addition, the Governors have appointed MacIntyre Hudson as internal auditors who will assess risk as part of their review and the Finance Committee has undertaken to oversee this area of responsibility going forward. The principle risks identified are:

- National/local changes to funding. The academy will address any changes brought about by legislation and incorporate them into the financial plan.
- Local Government Pension Scheme (LGPS) deficit. Consideration is given to potential changes following the actuarial valuation to address the deficit in the long term.

INVESTMENTS POLICY

The Academy Trust's investment policy is for its cash balances to provide for the day to day working capital requirements of its operations, whilst protecting the real long term value of any surplus cash balance against inflation. In addition, to invest surplus cash funds to optimise returns but ensuring the investments instruments are such that there is no risk to the loss of these cash funds.

The Academy is authorised to invest funds only in Banks authorised and monitored by the Financial Services Authority (FSA).

Plans for future periods

The Academy Trust will strive to raise the levels of performance of its students at all levels beyond national averages and will continue to ensure its students find employment, training or a place in higher education once they leave. The school will also continue to attract high quality teachers, trainees and support staff, who can deliver the Academy Trust's vision and aspirations.

The Academy Trust has reviewed its procedures to provide financial support for students whose families are in need, with a view to facilitating the participation of all of our students in the full range of activities and opportunities on offer. The Academy will undertake consultation with parents regarding the increased financial support through Pupil Premium and targeted resources to support learning for the students concerned.

TDET is realising its strategic plans to strengthen its resources to maintain its Outstanding status and add capacity to support future growth. This includes having a Teaching School which opened in October 2014, an all-through SCITT (School Centred Initial Teacher Training) which was approved of in May 2014 to open formally in September 2016 with 62 trainees, opening an all through 2FE Primary phase in September 2015, and being a Core Maths Lead School in the Sixth Form to promote students studying maths beyond GCSE.

The Trust is considering opening a 0-4 year Nursery Unit, a purpose built Sixth Form building, a small theatre area and becoming a Multi-Academy Trust (MAT) so that other schools can be part of TDET in the future.

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

TDET has 2 National Leaders of Education (NLEs) accredited by the National College, the Executive Principal and Primary Phase Leader who are deployed locally to other schools.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy Trust holds £7,950 on behalf of the local cluster primary schools which is used to facilitate effective partnership work in collaborative ways.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

AUDITOR

The auditors, MacIntyre Hudson, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

This report, incorporating the Strategic report, was approved by order of the Governing Body, as the company directors, on 10 December 2015 and signed on the board's behalf by:

Mrs R Clayton
Chair of Governors

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Governors, we acknowledge we have overall responsibility for ensuring that The Duston Education 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 Governing Body has delegated the day-to-day responsibility to the Executive Principal, 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 The Duston Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' report and in the Governors' responsibilities statement. The Governing Body has formally met 3 times during the period of 1 March 2015 - 31 August 2015. Attendance during the period at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
Mrs B Bignold	0	3
Mrs R Clayton, Chair	2	3
Mr G Daly	2	3
Mrs J S Herriman	3	3
Mr J McCann	2	3
Mr J Murray	2	3
Mrs J Peach	3	3

The Governors' terms of office are 4 years, (excepting the Executive Principal), and where eligible, are subject to re-election or re-appointment.

Governance reviews:

The Trust Members have reviewed the key risks to which the Academy Trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body. The Finance and Audit Committee is a sub-committee of the main Governing Body. Its purpose is to propose a draft budget, scrutinise income and expenditure against the budget, monitor systems of control, and oversee statutory returns of a financial nature.

REVIEW OF VALUE FOR MONEY

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

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

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

- Making significant improvements in all GCSE key examination performance table indicators which are all above national average in the 2015 results. The headline figure of 54.3% (EM) is 5.3% higher than the 2014 results and above the National Average of 52.8% for all schools. All of the work to narrow the gap for disadvantaged students has proved successful with the gap smaller than the national average, and as a lead school for Core Maths and Outstanding Maths provision, the Academy continues to celebrate success in this subject with further increases in the number of students achieving an A*-C grade. Expected and more than expected levels of progress in Maths also continue to be above the national average. The Academy has seen an increase in the number of students achieving an A*-C in English. Sixth Form students also did particularly well with over 65% going onto further education, many at their first choice university. These educational outcomes have been improved through targeted intervention, collaboration with other excellent external advisers, and improving the quality of learning and teaching within the Trust.
- Preparing thoroughly for the opening of our primary phase 12 months prior to opening September 2015 by appointing an existing Outstanding Primary Principal and, during the year to gain additional income via the Teaching School (TS), by deploying her to support other primary schools (the Executive Principal and Vice Principal for the Primary Phase).
- Ensuring the TS strategically supports other schools and runs support for other schools and teachers in the region which is Outstanding, thereby generating significant income and reputation. TDET has 2 National Leaders of Education (NLEs) who do outreach work to other schools to support them.
- Reviewing staffing resources to ensure best value for money and to target support and the leadership of curriculum areas which reflect the new curriculum changes.
- Curriculum review at all key stages to ensure effective deployment of resources to support new courses via resources, training, as well as funding external professional advice from Lead Ofsted Inspectors/Consultants.
- Ensuring high quality staff are accredited appropriately to offer Outstanding support to other schools via 2 National Leaders in Education (NLEs) and 4 Subject Leaders in Education (SLEs).

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Duston Education Trust for the period 6 November 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the period 6 November 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided to appoint MHA MacIntyre Hudson as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

The internal auditor reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Executive Principal has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance 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 Governing Body on 10 December 2015 and signed on its behalf, by:

Mrs R Clayton
Chair of Governors

Mrs J S Herriman
Accounting Officer

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Duston Education Trust I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the Academy Trust Governing Body are able to identify any material, irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook (2014).

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 Governing Body and EFA.

Mrs J S Herriman
Accounting Officer

Date: 10 December 2015

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2015

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- 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 Governors 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 Governors 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 EFA/DfE have been applied for the purposes intended.

The Governors 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 Governing Body on 10 December 2015 and signed on its behalf by:

Mrs R Clayton
Chair of Governors

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DUSTON EDUCATION TRUST

We have audited the financial statements of The Duston Education Trust for the period ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITOR

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

BASIS FOR QUALIFIED OPINION ON FINANCIAL STATEMENTS

The Academy Trust has been unable to obtain a valuation at the time of signing the accounts for the land element of the transfer of land and buildings donated on acquisition of the academy. Had this value been available, it would have increased the value of restricted fixed asset funds both on the balance sheet under freehold land and buildings and in the Statement of Financial Activities under voluntary income – donation on acquisition of academy. The Academy Trust was also unable to obtain a valuation at the time of signing the accounts of a separate donated freehold property constructed under a PFI contract, for use as a Primary School on its site. As this property had not been brought into use until 1 September 2015, the value of this property (had it been available) would have increased the value of restricted fixed asset funds both on the balance sheet under other debtors and in the Statement of Financial Activities under voluntary income – donation on acquisition of academy. Both of these matters are explained in note 13 to the financial statements.

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DUSTON EDUCATION TRUST

QUALIFIED OPINION ON FINANCIAL STATEMENTS

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Governors' report, incorporating the Strategic report, for the financial period for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In respect solely of the limitation on our work relating to freehold property, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- adequate accounting records have not been kept.

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

- 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 directors' remuneration specified by law are not made.

Elaine Olson-Williams FCCA (Senior statutory auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB

Date:

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE DUSTON EDUCATION TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 9 June 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Duston Education Trust during the period 6 November 2014 to 31 August 2015 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 The Duston Education Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Duston Education Trust and EFA 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 The Duston Education Trust and EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of The Duston Education Trust's funding agreement with the Secretary of State for Education dated 1 June 2012, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 6 November 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE DUSTON EDUCATION TRUST AND THE EDUCATION FUNDING AGENCY (continued)

The work undertaken to draw to our conclusion includes:

- Reviewing the minutes of meetings of the Academy Trust and other evidence made available to us, relevant to our consideration of regularity;
- A review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- Testing a sample of payroll payments to staff;
- Testing of a sample of payments to suppliers and other third parties;
- Testing a sample of grants received and other income streams;
- Evaluating the internal control procedures and reporting lines, and testing as appropriate;
- Making appropriate enquiries of the Accounting Officer.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 6 November 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB

Date:

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE PERIOD ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income - donation on acquisition of academy	2	52,102	(613,500)	11,665,489	11,104,091
Voluntary income	2	35,630	-	-	35,630
Activities for generating funds	3	115,676	-	-	115,676
Investment income	4	3,398	-	-	3,398
Incoming resources from charitable activities:					
Funding for the academy trust's educational operations	5	-	4,051,289	200,818	4,252,107
TOTAL INCOMING RESOURCES		206,806	3,437,789	11,866,307	15,510,902
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating voluntary income	6	13,551	-	-	13,551
Fundraising expenses and other costs		83,190	-	-	83,190
Charitable activities:					
Academy trust educational operations	7	2,000	4,771,147	274,589	5,047,736
Governance costs	8	-	20,514	-	20,514
TOTAL RESOURCES EXPENDED	6	98,741	4,791,661	274,589	5,164,991
NET INCOMING / (OUTGOING)					
RESOURCES BEFORE TRANSFERS		108,065	(1,353,872)	11,591,718	10,345,911

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £
Transfers between Funds	17	(10,000)	(125,419)	135,419	-
NET INCOME FOR THE PERIOD		98,065	(1,479,291)	11,727,137	10,345,911
Actuarial gains and losses on defined benefit pension schemes	24	-	23,000	-	23,000
NET MOVEMENT IN FUNDS FOR THE PERIOD		98,065	(1,456,291)	11,727,137	10,368,911
Total funds at 6 November 2014		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2015	17	98,065	(1,456,291)	11,727,137	10,368,911

All activities relate to continuing operations.

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

The notes on pages 24 to 45 form part of these financial statements.

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 09299605

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £
FIXED ASSETS			
Tangible assets	13		11,565,957
CURRENT ASSETS			
Debtors	14	245,673	
Cash at bank and in hand		1,276,776	
		<u>1,522,449</u>	
CREDITORS: amounts falling due within one year	15	(915,249)	
		<u>607,200</u>	
NET CURRENT ASSETS			
			<u>12,173,157</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS: amounts falling due after more than one year	16		(246)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			
			<u>12,172,911</u>
Defined benefit pension scheme liability	24		(1,804,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			
			<u><u>10,368,911</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds	17	347,709	
Restricted fixed asset funds	17	11,727,137	
		<u>12,074,846</u>	
Restricted funds excluding pension liability			
Pension reserve		(1,804,000)	
		<u>10,270,846</u>	
Total restricted funds			<u>10,270,846</u>
Unrestricted funds	17		98,065
TOTAL FUNDS			
			<u><u>10,368,911</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 10 December 2015 and are signed on their behalf, by:

Mrs R Clayton
Chair of Governors

The notes on pages 24 to 45 form part of these financial statements.

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2015

	Note	2015 £
Net cash flow from operating activities	19	318,824
Returns on investments and servicing of finance	20	3,398
Capital expenditure and financial investment	20	(258,057)
Cash transferred on acquisition of academy		1,212,611
INCREASE IN CASH IN THE PERIOD		1,276,776

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 AUGUST 2015

		2015 £
Increase in cash in the period		1,276,776
MOVEMENT IN NET FUNDS IN THE PERIOD	21	1,276,776
NET FUNDS AT 31 AUGUST 2015	21	1,276,776

The notes on pages 24 to 45 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Going concern

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

• Grants receivable

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

• Donated goods, facilities and services

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's policies.

• Donations

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

• Other Income

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

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

• Costs of generating funds

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

• Charitable activities

Charitable activities are costs incurred in the Academy Trust's educational operations.

• Governance costs

Governance costs include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £5,000 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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	50 years straight line
Motor vehicles	-	3 years straight line
Furniture and equipment	-	3 years straight line
Computer equipment	-	3 years straight line

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.6 Taxation

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

1.7 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.8 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

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

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.9 Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27.

1.10 PFI Contracts

The buildings used by the Academy Trust were constructed under a Private Finance Initiative (PFI) Contract between Northamptonshire County Council (Local Authority) and a Private Contractor. The project was completed prior to the School's conversion to Academy status. On conversion, the Academy Trust has entered into a School Agreement with the Local Authority which transfers the Local Authority's main obligations under the PFI Contract to the Academy Trust.

The Academy Trust is responsible for the revenue costs of maintaining the facilities. The payments made to the Local Authority in respect of the PFI Contract unitary charge relating to these revenue costs are therefore expensed to the Statement of Financial Activities in the period to which they relate.

The land was transferred to the Academy Trust by the Local Authority on conversion to an academy. As the Academy Trust takes on the risks and rewards with the land and buildings, including the long term maintenance of the property once the PFI contract has ended, the land and buildings are capitalised as fixed assets on the Academy Trust's Balance Sheet at valuation using the depreciated replacement cost basis. These assets are then depreciated over their useful economic life.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Donations on acquisition of academy	52,102	12,789,989	12,842,091
Pension deficit on acquisition of academy	-	(1,738,000)	(1,738,000)
	<hr/> 52,102 <hr/>	<hr/> 11,051,989 <hr/>	<hr/> 11,104,091 <hr/>
Donations	35,630	-	35,630
	<hr/> 87,732 <hr/>	<hr/> 11,051,989 <hr/>	<hr/> 11,139,721 <hr/>

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Hire of facilities	3,566	-	3,566
Miscellaneous generating income	112,110	-	112,110
	<u>115,676</u>	<u>-</u>	<u>115,676</u>

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Bank interest receivable	3,398	-	3,398
	<u>3,398</u>	<u>-</u>	<u>3,398</u>

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
DfE/EFA revenue grants			
General annual grant (GAG)	-	3,682,450	3,682,450
Other DfE/EFA grants	-	121,216	121,216
Pupil premium	-	159,660	159,660
Start up grant	-	25,000	25,000
Devolved formula capital	-	13,818	13,818
Capital grants	-	187,000	187,000
	-	4,189,144	4,189,144
Other government grants			
Other government grants	-	10,000	10,000
Pupil premium	-	14,350	14,350
SEN income	-	29,303	29,303
	-	53,653	53,653
Other funding			
Other income	-	9,310	9,310
	-	9,310	9,310
	-	4,252,107	4,252,107

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

6. RESOURCES EXPENDED

	Staff costs	Non Pay Premises	Expenditure Other costs	Total
	2015 £	2015 £	2015 £	2015 £
Costs of generating funds:				
Costs of generating voluntary income	-	-	13,551	13,551
Costs of activities for generating funds	82,823	-	367	83,190
	<u>82,823</u>	<u>-</u>	<u>13,918</u>	<u>96,741</u>
Academy's educational operations:				
Direct costs	2,905,985	-	426,101	3,332,086
Allocated support costs	417,736	635,297	662,617	1,715,650
	<u>3,323,721</u>	<u>635,297</u>	<u>1,088,718</u>	<u>5,047,736</u>
Governance	-	-	20,514	20,514
	<u>3,406,544</u>	<u>635,297</u>	<u>1,123,150</u>	<u>5,164,991</u>

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

7. CHARITABLE ACTIVITIES

	Total funds 2015 £
DIRECT COSTS - EDUCATIONAL OPERATIONS	
Wages and salaries	2,408,721
National insurance	173,812
Pension cost	323,452
Educational supplies	11,183
Staff development	47,171
Educational trips	18,887
Recruitment costs	39,420
Technology costs	14,699
Examination fees	121,901
Legal and professional fees	172,840
	<hr/>
	3,332,086
SUPPORT COSTS - EDUCATIONAL OPERATIONS	
Wages and salaries	296,993
National insurance	16,015
Pension cost	104,728
Depreciation	274,589
FRS17 pension costs	42,000
Insurance	21,495
Technology costs	79,136
Maintenance of premises and equipment	85,614
Cleaning	999
Rent and rates	277,314
Light and heat	107,170
Catering	27,309
Hospitality	7,484
Office overheads	218,496
Legal and professional fees	148,035
Bank charges	200
Other costs	8,073
	<hr/>
	1,715,650
	<hr/>
	5,047,736
	<hr/> <hr/>

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

8. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Governance Auditors' remuneration	-	14,000	14,000
Governance Auditors' non audit costs	-	6,053	6,053
Governor expenses	-	461	461
	<u>-</u>	<u>20,514</u>	<u>20,514</u>

9. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £
Depreciation of tangible fixed assets: - owned by the charity	274,589
Auditor's remuneration	14,000
Auditor's remuneration - non-audit	6,053
	<u>294,642</u>

10. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £
Wages and salaries	2,645,177
Social security costs	196,426
Other pension costs (Note 24)	437,273
	<u>3,278,876</u>
Supply teacher costs	13,258
Compensation payments	114,410
	<u>3,406,544</u>

b. Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £47,676. Individually, the payments were: £3,676, £14,000 and £30,000.

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

10. STAFF (continued)

c. Staff numbers

The average number of persons employed by the Academy Trust during the period expressed as full time equivalents was as follows:

	2015
	No.
Teaching	87
Administration and support	75
Management	15
	<hr/>
	177
	<hr/> <hr/>

d. Higher paid staff

The number of employees whose emoluments exceeded £60,000 fell within the following bands:

	2015
	No.
In the band £60,001 - £70,000	1
	<hr/> <hr/>

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2015, pension contributions for this staff amounted to £7,558.

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

11. GOVERNORS' REMUNERATION AND EXPENSES

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

	2015
	£
J Herriman (Principal and Governor):	
Remuneration	65,000 - 70,000
Employer's pension contributions	5,000 - 10,000
J Peach (Staff Governor):	
Remuneration	5,000 - 10,000
Employer's pension contributions	0 - 5,000

During the period, no trustees received any benefits in kind.

During the period ended 31 August 2015, expenses totalling £461 were reimbursed to 1 trustee.

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides trustees liability cover up to £10,000,000 on any one loss and any one membership year. The cost of the insurance for the period ended 31 August 2015 is included in the total insurance cost of £20,370 paid under the Department for Education's Risk Protection Arrangement, (RPA). The RPA is not an insurance scheme but is a mechanism through which the costs of risks that materialise from 1 March 2015 are covered by government funds.

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

13. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Furniture and equipment £	Computer equipment £	Total £
Cost					
Additions	-	-	51,683	206,374	258,057
Transferred on acquisition	11,113,870	11,339	16,381	440,899	11,582,489
At 31 August 2015	<u>11,113,870</u>	<u>11,339</u>	<u>68,064</u>	<u>647,273</u>	<u>11,840,546</u>
Depreciation					
Charge for the period	119,504	3,780	7,414	143,891	274,589
At 31 August 2015	<u>119,504</u>	<u>3,780</u>	<u>7,414</u>	<u>143,891</u>	<u>274,589</u>
Net book value					
At 31 August 2015	<u>10,994,366</u>	<u>7,559</u>	<u>60,650</u>	<u>503,382</u>	<u>11,565,957</u>

The transfer of the freehold property above of £11,113,870 does not include land. The Academy Trust has been unable to obtain this valuation at the time of signing the accounts. The valuation will be brought into the accounts in 2016.

During the year the Academy Trust was also donated freehold property constructed under a PFI contract, for use as a Primary School on its site. The property has been brought into use with effect from 1 September 2015 and therefore has not been included in the fixed asset balances at the end of this year but will be recognised in the 2016 accounts. Had a valuation for this property been available, the donation and a corresponding other debtor would have been recognised.

14. DEBTORS

	2015
	£
Trade debtors	28,763
Other debtors	96,741
Prepayments and accrued income	120,169
	<u>245,673</u>

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

15. CREDITORS:
Amounts falling due within one year

	2015 £
Trade creditors	305,057
Other taxation and social security	116,092
Other creditors	105,855
Accruals and deferred income	388,245
	<hr/>
	915,249
	<hr/>
	£
Deferred income	
Resources deferred during the year	143,544
	<hr/>

Deferred income held at the balance sheet date includes Devolved Formula Capital of £33,179, Trip income of £55,701, Teaching School income of £50,000 and sundry deferred income of £4,664.

16. CREDITORS:
Amounts falling due after more than one year

	2015 £
Other creditors	246
	<hr/>

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

17. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	-	206,806	(98,741)	(10,000)	-	98,065
Restricted funds						
General annual grant (GAG)	-	3,682,450	(4,344,223)	661,773	-	-
Other DfE/EFA grants	-	140,526	(130,125)	(6,020)	-	4,381
Pupil premium	-	174,010	(174,010)	-	-	-
Start up grant	-	25,000	(25,000)	-	-	-
Inherited funds	-	1,124,500	-	(781,172)	-	343,328
Miscellaneous income	-	29,303	(29,303)	-	-	-
Pension reserve	-	(1,738,000)	(89,000)	-	23,000	(1,804,000)
	-	3,437,789	(4,791,661)	(125,419)	23,000	(1,456,291)
Restricted fixed asset funds						
DfE/EFA capital grants	-	283,818	(26,569)	(41,009)	-	216,240
Capital expenditure from GAG	-	-	(829)	15,129	-	14,300
Capital expenditure non GAG	-	-	-	114,225	-	114,225
Inherited assets	-	11,582,489	(247,191)	47,074	-	11,382,372
	-	11,866,307	(274,589)	135,419	-	11,727,137
Total restricted funds	-	15,304,096	(5,066,250)	10,000	23,000	10,270,846
Total of funds	-	15,510,902	(5,164,991)	-	23,000	10,368,911

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

The transfer between the restricted General Annual Grant fund and restricted fixed asset funds represents amounts capitalised during the period.

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

17. STATEMENT OF FUNDS (continued)

Restricted general funds will be used for educational purposes in line with academy trust's objects and its funding agreement with the EFA.

Restricted fixed assets funds amounting to 11,565,957 will be reserved against future depreciation charges, and the remainder relates to unspent capital grants which will be utilised to enhance the academy trust's facilities.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £
Tangible fixed assets	-	-	11,565,957	11,565,957
Current assets	98,065	1,263,204	161,180	1,522,449
Creditors due within one year	-	(915,249)	-	(915,249)
Creditors due in more than one year	-	(246)	-	(246)
Pension scheme liability	-	(1,804,000)	-	(1,804,000)
	<u>98,065</u>	<u>(1,456,291)</u>	<u>11,727,137</u>	<u>10,368,911</u>

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £
Net incoming resources before revaluations	10,345,911
Returns on investments and servicing of finance	(3,398)
Fixed assets transferred on acquisition of academy	(11,582,489)
Depreciation of tangible fixed assets	274,589
Increase in debtors	(245,673)
Increase in creditors	915,495
Cash transferred on acquisition of academy	(1,212,611)
Pension deficit transferred on acquisition of academy	1,738,000
FRS 17 adjustments	89,000
Net cash inflow from operations	<u><u>318,824</u></u>

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015
	£
Returns on investments and servicing of finance	
Interest received	3,398
	<hr/> <hr/>
	2015
	£
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(258,057)
	<hr/> <hr/>

21. ANALYSIS OF CHANGES IN NET FUNDS

	6	Cash flow	31 August
	November		2015
	2014		2015
	£	£	£
Cash at bank and in hand:	-	1,276,776	1,276,776
	<hr/>	<hr/>	<hr/>
Net funds	-	1,276,776	1,276,776
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

22. 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.

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

23. CONVERSION TO AN ACADEMY TRUST

On 1 March 2015 all of the operations and assets and liabilities of The Duston School were transferred to The Duston Education Trust from Academies Enterprise Trust for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	11,113,870	11,113,870
- Other tangible fixed assets	-	-	468,619	468,619
LGPS pension surplus/(deficit)	-	(1,738,000)	-	(1,738,000)
Other identified assets and liabilities	52,102	1,124,500	83,000	1,259,602
Net assets/(liabilities)	<u>52,102</u>	<u>(613,500)</u>	<u>11,665,489</u>	<u>11,104,091</u>

24. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Northamptonshire County Council. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £99,384 were payable to the scheme at 31 August 2015 and are included within creditors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

24. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £246,732.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

24. PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2015 was £351,000, of which employer's contributions totalled £279,000 and employees' contributions totalled £72,000. The agreed contribution rates for future years are between 22.6% and 23.6% for employers and between 5.5% and 12.5% for employees.

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

The Academy Trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £
Equities	3.80	1,081,000
Bonds	3.80	294,000
Property	3.80	139,000
Cash	3.80	31,000
Total market value of assets		<u>1,545,000</u>
Present value of scheme liabilities		<u>(3,349,000)</u>
(Deficit) in the scheme		<u><u>(1,804,000)</u></u>

The amounts recognised in the Balance Sheet are as follows:

	2015 £
Present value of funded obligations	(3,349,000)
Fair value of scheme assets	<u>1,545,000</u>
Net liability	<u><u>(1,804,000)</u></u>

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

24. PENSION COMMITMENTS (continued)

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

	2015 £
Interest on obligation	(115,000)
Expected return on scheme assets	73,000
Past service cost	(9,093)
Current service cost	(326,000)
	<hr/>
Total	(377,093)
	<hr/> <hr/>
Actual return on scheme assets	44,000
	<hr/> <hr/>

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

	2015 £
Defined benefit obligation transferred on acquisition	2,914,000
Interest cost	115,000
Contributions by scheme participants	72,000
Actuarial Gains	(52,000)
Benefits paid	(26,000)
Current service cost	326,000
	<hr/>
Closing defined benefit obligation	3,349,000
	<hr/> <hr/>

Movements in the fair value of the Academy Trust's share of scheme assets:

	2015 £
Fair value of scheme assets transferred on acquisition	1,176,000
Expected return on assets	73,000
Actuarial gains and (losses)	(29,000)
Contributions by employer	279,000
Contributions by employees	72,000
Benefits paid	(26,000)
	<hr/>
	1,545,000
	<hr/> <hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £434,000 losses.

The Academy Trust expects to contribute £293,000 to its Defined benefit pension scheme in 2016.

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

24. PENSION COMMITMENTS (continued)

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2015
Discount rate for scheme liabilities	3.80 %
Expected return on scheme assets at 31 August	3.80 %
Rate of increase in salaries	4.60 %
Rate of increase for pensions in payment / inflation	2.70 %

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

	2015
Retiring today	
Males	22.3
Females	24.3
Retiring in 20 years	
Males	24.0
Females	26.6

Amounts for the current period are as follows:

	2015
	£
Defined benefit obligation	(3,349,000)
Scheme assets	1,545,000
Deficit	(1,804,000)
Experience adjustments on scheme liabilities	2,000
Experience adjustments on scheme assets	(29,000)

THE DUSTON EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

25. RELATED PARTY TRANSACTIONS

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

The following related party transactions took place in the year:

Mrs J S Herriman and Mr J McCann, Trustees of The Duston Education Trust, are also directors of Northampton Town AIP Limited. During the period, The Duston Education Trust received donations from Northampton Town AIP Limited amounting to £21,850.

Mr J McCann, Trustee of The Duston Education Trust, is also a director of Inclusion Quality Mark (UK) Limited. During the period Inclusion Quality Mark (UK) Limited invoiced The Duston Education Trust for a Flagship review, amounting to £855.

There were no other transactions with related parties in the year.

26. CONTROLLING PARTY

There is no ultimate controlling party.

27. COMPANY LIMITED BY GUARANTEE

The academy trust is a company limited by guarantee and does not have share capital.

28. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2015 the trust received £8,579 and disbursed £4,228 from the fund. An amount of £4,351 is included in other creditors relating to undistributed funds that is repayable to EFA.