REGISTERED COMPANY NUMBER: 08062508 (England and Wales)

REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 FOR

THE DIAMOND LEARNING PARTNERSHIP TRUST (A COMPANY LIMITED BY GUARANTEE)

Chater Allan LLP
Chartered Accountants
& Statutory Auditors
Beech House
4a Newmarket Road
Cambridge
Cambridgeshire
CB5 8DT

THE DIAMOND LEARNING PARTNERSHIP TRUST

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

THE DIAMOND LEARNING PARTNERSHIP TRUST

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2019

MEMBERS	L Fuller R Conway (appointed 12/12/2018) D A Lowndes (appointed 17/6/2019) D A Cornell A E Ball M D Young
TRUSTEES	M D Young Mrs S Connell A E Ball Mrs T J Bryden Mrs H Bell Mrs S Gill G S Watson A D Chambers (resigned 26/11/2019) G B Smith D A Lowndes
COMPANY SECRETARY	Mrs T J Bryden
REGISTERED OFFICE	Middlefield Primary Academy Andrew Road Eynesbury St Neots Cambridgeshire PE19 2QE
REGISTERED COMPANY NUMBER	08062508 (England and Wales)
INDEPENDENT AUDITORS	Chater Allan LLP Chartered Accountants & Statutory Auditors Beech House 4a Newmarket Road Cambridge Cambridgeshire CB5 8DT
SOLICITORS	Greenwoods GRM LLP Monkstone House, City Road, Peterborough PE1 1JE

BANKERS	Lloyds Bank Plc PO Box 1000 Andover, BX1 1LT

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2019

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2019. The trustees have adopted the provisions of 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) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The annual report serves the purposes of both a trustees' report, and a directors' report under company law. The trust operates 12 primary academies in Cambridgeshire, Hertfordshire and Peterborough. Its academies have a combined pupil capacity of 2,829, including pre-schools / nurseries, and had a roll of 2,368 (2018: 1,948) in the school census of January 2019.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal object and activity of the academy trust is the operation of The Diamond Learning Partnership Trust to provide education for pupils of different abilities, between the ages of 2 and 11 and to advance, for the public benefit, education in the United Kingdom.

Strategies and activities

The trust's main strategy is encompassed in its mission statement which is: "'The Diamond Learning Partnership Trust is focussed on transforming children's lives and therefore life chances through a clear focus on unlocking every child's potential by providing the perfect balance between an excellent education, uncompromising pastoral care and the nurtured development of every individual child's qualities".

To this end the activities include:

- Delivering an outstanding educational experience for all pupils through excellent teaching and inventive curricular experiences
- Identifying and overcoming barriers to learning through early intervention enabling every child to achieve their potential
- Engaging parents, carers and support networks in effective communication to enhance the holistic approach to learning
- Celebrating with the wider community all the achievements of The Diamond Learning Partnership Trust.

Public benefit

The charitable company's aims are set out in this report. The trustees have complied with their duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission and the trustees have paid due regard to this guidance in deciding what activities the company should undertake.

The trust began in May 2012 and now comprises 12 schools, and continues its original goals for providing an outstanding education for the children in our care.

STRATEGIC REPORT

Achievement and performance

Charitable activities

The trust has grown to include 12 primary academies and has chosen to focus on two important principles: all academies working towards outstanding, and this being achieved at pace. Wintringham, Roman Way and Braybrook primary academies joined the trust during the year.

The trust continues to work in partnership with its senior leadership teams, governors, directors, local headteachers and colleagues to develop learning opportunities for the children in its care.

The trust operated the following key performance indicators (KPI's) for the 2018/2019 academic year:

	KS2 Reading ARE %	KS2 Writing ARE %	KS2 Maths ARE %	KS2 Spag ARE %	KS2 RWM %
Braybrook	57.1	72	67.3	63.3	53.1
Glebelands	73.8	80.3	73.8	80.3	62.3
Great Staughton	100	N/A	100	100	N/A
Kimbolton	90	80	70	90	70
Leverington	60	86.7	60	76.7	50
Middlefield	83.9	71	83.9	83.9	71
Murrow	73.3	73.3	73.3	80	66.7
Thomas Eaton	85.7	76.2	76.2	76.2	66.7
The Round House	65.5	67.3	76.4	83.6	54.5
Winhills	63	74.1	77.8	77.8	59.3

Wintringham Primary Academy only had reception children in 2018-2019 and is therefore not included above. Roman Way Primary Academy only has KS1 data, as set out below, as it is a first school.

	KS1 Reading %	KS1 Writing %	KS1 Maths %
Roman Way	63	54	54

Fundraising activities

The majority of fundraising occurs at school level, often linked to and on behalf of national charitable appeals.

Investment performance

The trust holds surplus cash reserves in a bank deposit account; interest earned during the year totalled £4,459.

STRATEGIC REPORT

Achievement and performance

Key financial performance indicators

The number of children on roll at the schools is a key performance indicator as funding is based on pupil numbers. Pupil numbers have increased steadily over the last few years.

	2019	2018
Middlefield Primary Academy	210	210
Winhills Primary Academy	301	246
The Round House Primary Academy	399	399
Great Staughton Primary Academy	75	74
Kimbolton Primary Academy	74	75
Glebelands Primary Academy	407	407
Thomas Eaton Primary Academy	154	154
Leverington Primary Academy	209	209
Murrow Primary Academy	98	98
Wintringham	10	-
Braybrook	254	-
Roman Way	177	-
Total	2,368	1,872

Another key performance indicator is salary costs which are currently on average, 81% of income from charitable activities.

Financial review

Principal funding sources

Most of the trust's income is obtained from the DfE via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. Pupil premium funding is also received from the ESFA. The grants received during the year ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities (SOFA).

The trust also receives other grants such as Education, Health and Care Plan funding, which comes from the Local Authority. Any other terms of funding have been assigned in the financial statements in accordance with the guidelines set down by the SORP.

During the year ended 31 August 2019, the trust incurred recurrent expenditure of £11,971,520 which was covered by revenue grant funding from the DfE and other sources totalling £11,736,847, £575,000 pension provision actuary adjustment and £442,952 from general funds. At 31 August 2019, the net book value of fixed assets was £24,029,940. The assets were used exclusively for providing education and the associated support services to the pupils of the trust.

Investment policy and objectives

The trustees have considered the risk of investing against the return on investment and have determined that surplus cash reserves should be held in an appropriate bank deposit account linked to the main bank account for ease of access.

STRATEGIC REPORT

Financial review

Reserves policy

The trustees review the reserve levels of the trust termly. This review examines the income and expenditure streams against the forecasts to match commitments and to identify or forecast any potential shortfall. The trustees have determined the appropriate level of reserves should equate to 5% of the General Annual Grant funding, to provide sufficient working capital to cover delays between spending and receipt of income, or to provide a cushion for unexpected expenditure or emergencies. This amounts to a target of £441,158. The Trust's level of free reserves (total funds less the amount held in fixed assets and restricted funds) totals £454,840 at the year end.

Cash reserves stand at £1,813,081 at the year end, of this sum, £98,528 is designated for capital projects not yet completed. Trustees are considering further capital investment across the trust.

Reserves totalled £21,626,556 as at 31 August 2019 of which £653,504 was unrestricted and £20,973,052 was restricted. Unrestricted funds included £198,664 of designated reserves, being the School Fund. Included in restricted funds are the Restricted Fixed Asset Fund, £24,128,468 and the Pension Reserve Fund (£3,887,000). The trustees will keep reserves under constant and ongoing review.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies. Factors used to evaluate this include the preparation of a three-year budget, cash reserves, and the demand for pupil places with a growing roll and some schools oversubscribed.

Funds in deficit

The Trust ethos is to support small and challenged schools to recover and be a successful and sustainable part of the local community. As at 31 August 2019, no individual school was in deficit.

Principal risks and uncertainties

The principal risk for the MAT is being able to generate enough funds through an acceptable level of top-slice to adequately support existing schools in the Trust but also to be able to support those schools that wish to join the Trust. This is challenging because of the size of the schools and the critical mass of top-slice income that is able to be generated. The Trust is acutely conscious of this and is taking steps to implement systems and procedures that are not costly in terms of staffing and are also able to cope with additional schools. If a new school was taken into the Trust that was found to need a large injection of cash that would be very difficult and the due diligence process is designed to avoid that.

Uncertainties are centred around whether the ESFA will adequately recompense schools for recent large rises in teachers' pay and in Teachers' Pensions from September 2019. Increases in support staff pay have been significant and not covered by the ESFA and this is a cause for constant vigilance.

Financial and risk management objectives and policies

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk remains they have ensured they have adequate insurance cover.

The Trustees examine the financial health formally every half-term, reviewing performance against budgets and overall expenditure by means of regular update reports at all Trustees' Committee meetings. Cash flow is also regularly reviewed to ensure sufficient funds are held to cover all known and anticipated commitments.

At the year-end, the Academy Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

STRATEGIC REPORT
Future plans
Growth

The trust will continue to focus on two important principles: all academies working towards outstanding; and this being achieved at pace. It has carefully worked on embedding systems and processes in order to have the solid foundations upon which it can take the next step in its growth. The trust added Roman Way and Braybrook primary academies during the year. The trust will ensure that its drive for improvement to outstanding is also applied to these institutions. Wintringham Park Academy, a new free school opened in the grounds of Round House Academy in September 2018 and will take up residence in a purpose-built new school in due course. Further measured growth is planned for 2019-2020, always bearing in mind our responsibility to the pupils and communities.

Quality of Teaching

To implement or sustain the bespoke personalised coaching model, thereby improving lessons and in turn either maintaining or achieving a level deemed to be good or outstanding.

To develop the use of data across the trust to inform planning, and improving student outcomes.

To develop the use of staff, both teaching and support, across the trust to support under-performing areas in each school.

To grow sustainable quality training that can support staff inside and outside the trust.

Leadership and Management

To ensure the teaching standards are central to the academy improvement across the trust.

To develop lines of accountability to ensure that all staff are held to account and remunerated as appropriate.

To ensure the governance, in association with the national framework, is implemented through the association system in each trust school.

To continue to develop our centralised services including HR, Finance and the management of health and safety and resource management.

To continue to support our NLE and Teaching School to give support to schools and other leaders.

To continue to develop our ITT provision.

To continue to support the Lead school, Middlefield, to ensure the success of the Teaching Alliance.

Overall Effectiveness of the Trust

To continue the outstanding outcomes and community perception of the Lead school, Middlefield.

To sustain and improve the results in all schools.

To achieve a "good" or "outstanding" judgement in the next full OFSTED inspection for all schools in the trust.

To develop and expand the trust, working in conjunction with the DfE, Cambridgeshire LA and surrounding authorities.

To ensure that the trust achieves outstanding value for money and that accounts are transparent and in line with the ESFA Academies financial handbook.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charitable Company's Memorandum and Articles of Association are the primary governing documents, dated 25th March 2015 and updated 7th February 2018.

Charity constitution

The Diamond Learning Partnership Trust is a company limited by guarantee and an exempt charity. The charitable company is registered in England and Wales with registered number 08062508. The registered office is The Diamond Learning Partnership Trust, Andrew Road, Eynesbury, St Neots, Cambridgeshire, PE19 2QE. The trustees of The Diamond Learning Partnership Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Diamond Learning Partnership Trust.

Details of the trustees who served during the year 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.

Trustees' Indemnities

In accordance with normal commercial practice, the trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business. The insurance provides cover up to £10,000,000.

Principal activities

The principal activity of the academy is to provide educational services.

The charitable company was incorporated on 9th May 2012 and took over the activities of:
- Middlefield Primary Academy on 1st June 2012,
- Winhills Primary Academy on 1st July 2012,
- The Round House Primary Academy on 1st August 2013,
- Great Staughton Primary Academy,
- Kimbolton Primary Academy on 1st January 2014.
- Thomas Eaton Primary Academy on 1st February 2017,
- Glebelands Primary Academy on 1st February 2017.
- Leverington Primary Academy on 1st September 2017
- Murrow Primary Academy on 1st September 2017
- Wintringham Primary Academy on 1st September 2018
- Braybrook Primary Academy on 1st January 2019
- Roman Way Academy on 1st April 2019

Recruitment and appointment of new trustees

The trustees are the directors of the academy trust.

A trustee's term of office shall be 4 years, but this time limit will not apply to the Lead Executive Headteacher (CEO), however any trustee may be re-appointed or re-elected.

Only members can appoint trustees. Recruitment of new trustees follows a skills gap analysis, and the trust may seek the assistance of Academy Ambassadors where appropriate to recruit suitable candidates.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The management structure of the trust consists of three levels: The members of the trust; the trustees; and the senior leadership team. The aim of the structure is to devolve responsibility, and encourage involvement in decision making at all levels and to avoid replication of works and roles.

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the trust by the use of budgets and management information, and making decisions about the direction of the trust, capital expenditure and senior staff appointments.

The Senior Leadership Team comprises the Lead Executive Headteacher (CEO) and the Headteachers:

- Susannah Connell (CEO)
- Tracy Bryden (Deputy CEO)
- Debbie Chudasama
- John Turner
- Suzanne Whiting
- Lisa Sharratt
- Nicola Jones
- Aimee Garner
- Ruth Bailey
- Emma Green
- Pat Baxter

The CEO is the accounting officer. Some spending control is devolved to the Finance Manager, and the senior leadership team can authorise expenditure within agreed limits and budgets, but capital or other significant expenditure requires authorisation by the Finance and Audit Committee of the trustees, subject to the trust's best value policy, the Academies' Financial Handbook and the designated limits contained within the Financial Procedures.

The Senior Leadership Team is responsible for the day to day operation of the trust, in particular organising the teaching staff, facilities and pupils.

There are no subsidiary companies or connected organisations.

Induction and training of new trustees

All new trustees will be given a tour of The Diamond Learning Partnership Trust schools and the chance to meet staff and pupils. All trustees are provided with copies of the policies, procedures, minutes, accounts, budgets, plans and other documents they need to undertake their role as trustees. The induction tends to be done informally and is tailored to the specific individual, although all new trustees are required to attend a trustees' training course run by the Local Authorities or such other provider to which the trust subscribes.

Key management remuneration

The Trustees delegate responsibility for planning directing and controlling the Trust to the CEO. The Trustees control the CEO's pay and remuneration which was reviewed this year applying the methodology determined last year. This was approved by the Trustee board. The CEO remuneration will continue to be reviewed annually. The Deputy CEO is paid a supplement to reflect the duties and responsibilities of that role. No other Trustees received any remuneration from the Trust.

Wider network

The trust is developing strong partnerships across the twelve schools and with other networks. Teaching and learning opportunities have been frequent, including: joint staff meetings; training sessions; interviewing; observations; lesson study; moderation; mentoring and coaching.

A number of collaborative projects with other schools will enhance its learning and provision. Middlefield Primary Academy is a designated teaching school, part of The Diamond Teaching School Alliance which has opened up a variety of opportunities to further provision for children and staff. Through the teaching school, the trust has extended its School to School support networks, delivering training such as Improving Teacher Programme (ITP) and Outstanding Teacher Programme (OTP), involved in continuous classroom research, and has School Direct trainees.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trade union facility time

This information is published in accordance with the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017 because the academy had a full-time equivalent employee number of more than 49 throughout the entirety of any seven of the months within the year ended 31 August 2019

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
Nil	259

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	259
1-50%	Nil
51-99%	Nil
100%	Nil

Percentage of pay bill spent on facility time

	£
Total cost of facility time	2087
Total pay bill	9,514,249
Percentage of the total pay bill spent on facility time, calculated as:	
(total cost of facility time ÷ total pay bill) × 100	0.02%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:	
(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	0%

Related parties

The trust employs one related party:
- Pauline Ball, wife of the chair of trustees / member - consultancy projects

This was subject to the standard recruitment processes.

Risk management

The Trustees have a duty to identify and review the risks to which the Academy Trust is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees have assessed the 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 Trustees have implemented systems to assess the risks that the school faces, especially in the operational areas (i.e. in relation to teaching, health and safety and bullying) and in relation to the control of finance. We have introduced operational procedures (e.g. vetting of new staff, visitors, Trustees, supervision of the grounds and buildings) and internal financial controls (as per below) in order to minimise risk. The Academy Trust has a robust and effective system of internal financial controls and this is explained in more detail in the following statement.

Systems and procedures for finance, personnel and premises are constantly being reviewed and upgraded.

AUDITORS

The auditors, Chater Allan LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on .....17/12/19............ and signed on the board's behalf by:

....
A E Ball - Trustee

THE DIAMOND LEARNING PARTNERSHIP TRUST

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2019

Scope of Responsibility
As trustees, we acknowledge we have overall responsibility for ensuring that The Diamond Learning Partnership 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 of loss.

The board of the trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Diamond Learning Partnership 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 Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 6 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
A E Ball	6	6
Mrs S Connell	6	6
Mrs T J Bryden	6	6
Mrs H Bell	5	6
M D Young	6	6
G B Smith	6	6
Mrs S Gill	5	6
A D Chambers	4	6
G S Watson	4	6
D A Lowndes	2	5

The Trust instructed Eversheds LLP to undertake a Governance review during 2014 resulting in a report dated December 2014. This report resulted in the adoption of new Articles of Association, dated 25 March 2015, prepared in accordance with new model Articles issued by the DfE December 2014. In addition the Trust are in the process of considering increasing the minimum number of members to 5.

Following the Governance review undertaken by the Trust in September 2013, Local Governing Boards (LGBs) were established for each of the academies in the Trust. A Finance and Audit Committee (previously Resources Committee), a Standards Committee and a Governor Learning and Development group were also set-up. These act as committees to the Board of Trustees and have representation from the LGBs. The LGBs monitor how the allocated budget is used effectively in each school.

The Finance and Audit Committee is a sub-committee of the main-Board of Trustees. Its purpose is to monitor, evaluate and review policy and performance in relation to financial management, comply with reporting and regulatory requirements, receive reports from the Internal auditor and auditors and draft the annual budget.

Review of Value for Money
As accounting officer the chief executive has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

Review of Value for Money

Improving Educational Outcomes

The Trustees and senior members of staff have ensured that resources are directed where they are most needed and most effective in meeting educational requirements of our pupils. Our diverse curriculum ensures all pupils have the opportunity to raise their individual levels of attainment and progress. We rightly focus on the individual needs of each individual pupil and this is reflected in the continued high standards performance of our children which have always been above and significantly above the national average at the end of each Key Stage. The Trustees and senior members of staff ensure that resources are targeted in line with the School Improvement Plan priorities and are reviewed regularly to ensure there is an impact on pupils' progress and attainment.

Assessment, tracking and monitoring processes are continually being reviewed and developed to ensure data is used to inform planning, target interventions and support differentiation. Regular internal and Senior Leadership Team meetings review progress and impact of interventions for different groups of pupils, supported by more focused and robust termly Pupil Progress Meetings. The Trustees and senior members of staff deploy staff to provide best value in terms of quality teaching, quality of learning, adult pupil ratio and curriculum management. Trustees therefore employ additional specialist staff to support the schools and in the curriculum areas such as PE, Art and Modern Foreign Languages to ensure high quality subject delivery.

The Trustees employ additional Teaching Assistants to effectively support class teachers delivering quality first teaching in our Intensive Curriculum Experience areas and to support the teachers to implement intervention programmes and booster classes. The staffing structure is regularly reviewed by observation and performance management to ensure effective teaching practices and quality first teaching. For those pupils who attract Pupil Premium funding and at risk of underachieving, we implement a variety of intervention programmes on a one to one basis or in small groups.
Funding is allocated to optimal effect as indicated by the detailed breakdown on the school website.

Universal Free School meals have been successfully implemented for all our reception pupils and Key Stage One pupils to provide nutritional meals at good value.

Use of Premises

The Trustees and senior members of staff consider the use and allocation of teaching areas, support areas and communal areas, to provide the best environment for teaching and learning, for support services and for communal access to central resources.

Financial Governance and Oversight

Financial governance and oversight is strong in our academy trust. Our Board of Trustees has considerable financial, legal and management experience. We have developed a strong finance and audit sub-committee which includes qualified personnel. Management accounts are produced and discussed with senior managers and the LGBs and Finance and Audit Committee to ensure value for money. Spending proposals are costed and presented to senior leaders and LGBs and a business case is produced to support major investments. All proposals are challenged appropriately at all levels.
Regular Budget to Actual comparisons are produced and explained to senior staff and Trustees by the Finance Manager.

As the trust has continued to grow the existing budgeting and accounts software became inadequate and new, scalable software has been introduced.

All contracts are reviewed when renewed to ensure the academy's interests are secured and are fit for purpose and provide best value. Consideration is given to both local and national contractors in determining best value before any commitment is made. All economies of cost are investigated by senior management to ensure efficient services are provided to pupils and staff.

School spend is benchmarked against other academies by the Finance Manager and the Academy's professional auditors and we discuss the outcomes to ensure our expenditure is appropriate for our needs. The Board are given Key Performance Indicators for each school when the budget is considered. The trust ensures that multiple tenders are sourced where appropriate to ensure Value for Money.

The School has an internal auditor to oversee the accounting operation and report independently to the Trustees each term to achieve improved financial support and value for money.

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 charitable company 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 Diamond Learning Partnership Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk
The board of trustees has reviewed the key risks to which the charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 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 Audit 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; and
- identification and management of risks.

The Board of Trustees appointed a new internal audit firm from September 2019, Ellacotts Chartered Accountants. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of personnel and payroll systems;
- testing of purchase systems including procurement;
- review of financial procedures and governance;
- testing of control account and bank account reconciliations.

It is the aim of the trust that the internal auditor should report on a termly basis to the Finance and Audit Committee, through a written report and on an annual basis the internal auditor is required to report to the Finance and Audit Committee, through the Finance and Audit Committees' meeting on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Review of Effectiveness
As accounting officer the chief executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor
- the work of the external 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 Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

THE DIAMOND LEARNING PARTNERSHIP TRUST

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2019

Approved by order of the members of the board of trustees on 17/12/19 and signed on its behalf by:

....
A E Ball - Trustee

....
Mrs S Connell - Accounting Officer

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2019**

As accounting officer of The Diamond Learning Partnership Trust I have considered my responsibility to notify the charitable company board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the charitable company, under the funding agreement in place between the charitable company 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 charitable company board of trustees are able to identify any material irregular or improper use of all funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company'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.

....
Mrs S Connell - Accounting Officer

Date: 17/12/19

THE DIAMOND LEARNING PARTNERSHIP TRUST

STATEMENT OF TRUSTEES RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

The trustees (who act as governors of The Diamond Learning Partnership Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Academies Accounts Direction issued by the Education and 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and estimates that are reasonable and prudent;
- 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 to 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 the ESFA/DfE have been applied for the purposes intended.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

Approved by order of the board of trustees on 17/12/19 and signed on its behalf by:

A E Ball

A E Ball - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE DIAMOND LEARNING PARTNERSHIP TRUST

Opinion

We have audited the financial statements of The Diamond Learning Partnership Trust (the 'charitable company') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, 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) and the Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company'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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE DIAMOND LEARNING PARTNERSHIP TRUST

Matters on which we are required to report by exception

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:

- 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.

Responsibilities of trustees

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

Our 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 a Report of the Independent Auditors 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 Report of the Independent Auditors.

Use of our report

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

Stuart Graham Berriman (Senior Statutory Auditor)
for and on behalf of Chater Allan LLP
Chartered Accountants
& Statutory Auditors
Beech House
4a Newmarket Road
Cambridge
Cambridgeshire
CB5 8DT

Date: ....

Note:

The maintenance and integrity of The Diamond Learning Partnership Trust website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE DIAMOND LEARNING PARTNERSHIP TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement and further to the requirements of the Education and 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 The Diamond Learning Partnership Trust during the period 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 The Diamond Learning Partnership Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Diamond Learning Partnership Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Diamond Learning Partnership Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Diamond Learning Partnership Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Diamond Learning Partnership Trust's funding agreement with the Secretary of State for Education 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 period 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 the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion included:

- Review of payroll;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Discussions with finance staff
- Discussions with the Accounting Officer and consideration of the record maintained of the oversight they have exercised;
- Consideration of the work of the Internal Auditors.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE DIAMOND LEARNING PARTNERSHIP TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

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 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.

Chater Allan LLP
Chartered Accountants
Beech House
4a Newmarket Road
Cambridge
Cambridgeshire
CB5 8DT

Date: ....

THE DIAMOND LEARNING PARTNERSHIP TRUST

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

	Notes	Unrestricted funds £	Restricted funds £	Restricted Fixed Asset Funds £	2019 Total funds £	2018 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	275,473	-	534,833	810,306	287,166
Transfer from Local Authority on conversion	26	-	(369,018)	8,601,814	8,232,796	2,699,753
Charitable activities						
Funding for the academy's educational operations	3	24,559	11,524,373	-	11,548,932	9,535,051
Teaching schools	27	82,456	50,493	-	132,949	49,272
Other trading activities	4	56,004	-	-	56,004	54,572
Investment income	5	4,459	-	-	4,459	3,266
Total		442,952	11,205,847	9,136,647	20,785,446	12,629,080
EXPENDITURE ON						
Raising funds	7	164,376	240	-	164,616	152,298
Charitable activities						
Academy's educational operations		-	11,686,266	865,748	12,552,014	10,852,963
Teaching schools	27	77,295	43,343	-	120,638	49,272
Total	6	241,671	11,729,849	865,748	12,837,268	11,054,533
NET INCOME/(EXPENDITURE)		201,281	(524,002)	8,270,899	7,948,178	1,574,547
Transfers between funds	22	-	(80,843)	80,843	-	-
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		-	(1,804,000)	-	(1,804,000)	1,008,000
Net movement in funds		201,281	(2,408,845)	8,351,742	6,144,178	2,582,547
RECONCILIATION OF FUNDS						
Total funds brought forward		452,223	(746,571)	15,776,726	15,482,378	12,899,831
TOTAL FUNDS CARRIED FORWARD		653,504	(3,155,416)	24,128,468	21,626,556	15,482,378

All of the charitable company's activities derive from acquisitions in the current year.

The notes form part of these financial statements

THE DIAMOND LEARNING PARTNERSHIP TRUST

STATEMENT OF FINANCIAL POSITION
AT 31 AUGUST 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible assets	14	24,029,939	15,738,901
CURRENT ASSETS			
Debtors: amounts falling due within one year	15	633,612	412,464
Cash at bank		1,813,082	1,113,045
		2,446,694	1,525,509
CREDITORS			
Amounts falling due within one year	16	(933,111)	(787,729)
NET CURRENT ASSETS		1,513,583	737,780
TOTAL ASSETS LESS CURRENT LIABILITIES		25,543,522	16,476,681
CREDITORS			
Amounts falling due after more than one year	17	(29,966)	(17,303)
PENSION LIABILITY	23	(3,887,000)	(977,000)
NET ASSETS		21,626,556	15,482,378
FUNDS	22		
Unrestricted funds:			
General fund		454,840	281,509
School Fund		198,664	170,714
		653,504	452,223
Restricted funds:			
General Annual Grant (GAG)		731,584	204,273
Other DfE / ESFA grants		-	26,156
Pension Reserve		(3,887,000)	(977,000)
Restricted Fixed Asset Funds		24,128,468	15,776,726
		20,973,052	15,030,155
TOTAL FUNDS		21,626,556	15,482,378

The notes form part of these financial statements

continued...

THE DIAMOND LEARNING PARTNERSHIP TRUST

STATEMENT OF FINANCIAL POSITION - CONTINUED
AT 31 AUGUST 2019

The financial statements were approved by the Board of Trustees on 17/12/19 and were signed on its behalf by:

....
A E Ball -Trustee

....
Mrs S Connell -Trustee

The notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Cash generated from operations	1	1,236,834	560,774
Net cash provided by (used in) operating activities		1,236,834	560,774
Cash flows from investing activities:			
Purchase of tangible fixed assets		(554,972)	(408,655)
Interest received		4,459	3,266
Net cash provided by (used in) investing activities		(550,513)	(405,389)
Cash flows from financing activities:			
New loans in year		16,862	-
Loan repayments in year		(3,146)	(1,573)
Net cash provided by (used in) financing activities		13,716	(1,573)
Change in cash and cash equivalents in the reporting period		700,037	153,812
Cash and cash equivalents at the beginning of the reporting period		1,113,045	959,233
Cash and cash equivalents at the end of the reporting period		1,813,082	1,113,045

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	7,948,178	1,574,547
Adjustments for:		
Depreciation	865,748	711,898
Transfer from Local Authority on conversion	(8,070,814)	(2,391,385)
Interest received	(4,459)	(3,266)
Increase in provisions	2,379,000	(444,000)
Pension liability adjustments	(1,112,000)	1,598,000
Increase in debtors	(221,148)	(183,149)
Increase in creditors	144,329	288,129
Difference between pension charge and cash contributions	(692,000)	(590,000)
Net cash provided by (used in) operating activities	1,236,834	560,774

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2018 to 2019 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Diamond Learning Partnership Trust meets the definition of a public benefit entity under FRS 102.

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

Critical accounting judgements and key sources of estimation uncertainty

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 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.

Income

All income is recognised in the Statement of Financial Activities once the charitable company has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

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

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

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

1. **ACCOUNTING POLICIES - continued**

Donations
Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

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

Donated fixed assets
Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the charity's accounting policies.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Raising funds
Raising funds includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

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

Governance costs
Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses. Governance costs are included as part of the costs of charitable activities.

1. ACCOUNTING POLICIES - continued

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- 4% on straight line
Fixtures and fittings	- 20% on cost
Equipment	- 20% on cost

All assets costing more than £1,000 are capitalised.

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 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's depreciation policy.

The Round House Primary Academy did not receive an ESFA valuation as the school was built within the last ten years. The Trustees therefore compared the insurance rebuild cost to the ESFA valuation provided for the other four schools within the Academy Trust. The average of these was used to determine the Trustees' best estimate of £2,000,000 for the valuation of buildings at The Round House Primary Academy.

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustee.

Restricted funds can only be used for particular restricted purposes within the objects of the charitable company. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits
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 23, 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.

For some of the primary academies in the trust, the relevant Council has indemnified the Academy Trust in respect of the LGPS deficit relating to the eligible employees' membership of the scheme referable to service up to and including the transfer date. Accordingly, where this part of the deficit is known it is excluded from the balance sheet of the Academy Trust.

Conversion to an academy
The conversion from a state-maintained school to an academy involves the transfer of identifiable assets and liabilities and the operation of the school for no 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 Braybrook Primary School and Roman Way Primary School to the academy trust on 1 January 2019 and 1 April 2019 respectively, have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities incorporating income and expenditure account and analysed under unrestricted fund, restricted general funds and restricted fixed asset funds.

See note 26 for further details.

1. ACCOUNTING POLICIES - continued

Long term leasehold arrangements
The schools occupy buildings owned by the local authority. A long-term operating lease arrangement is in place with a term of 125 years for each school.

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

Provisions
Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.
Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2. DONATIONS AND CAPITAL GRANTS

	2019 £	2018 £
Other voluntary income	275,473	203,930
Capital grants	534,833	83,236
	810,306	287,166

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
General Annual Grant (GAG)	-	8,823,152	8,823,152	7,304,119
Start-up/ Project development costs	-	50,000	50,000	-
Other DfE/ESFA grants	-	1,530,913	1,530,913	1,153,905
Local authority grants	-	713,920	713,920	594,570
Catering	-	143,779	143,779	157,179
School clubs	-	262,609	262,609	223,669
Consultancy income	24,559	-	24,559	101,609
	24,559	11,524,373	11,548,932	9,535,051

4. OTHER TRADING ACTIVITIES

	2019 £	2018 £
Facilities and services	56,004	54,572

5. INVESTMENT INCOME

	2019	2018
	£	£
Deposit account interest	4,459	3,266

6. EXPENDITURE

	Staff costs	Non-pay expenditure Premises	Non-pay expenditure Other costs	2019 Total	2018 Total
	£	£	£	£	£
Raising funds					
Costs of fundraising					
Direct costs	-	-	164,376	164,376	149,660
Costs incurred by trading for a fundraising purpose					
Direct costs	-	-	240	240	2,638
Charitable activities					
Academies educational operations					
Direct costs	7,823,181	-	575,870	8,399,051	7,408,655
Allocated support costs	1,647,548	1,556,609	948,806	4,152,963	3,444,308
Teaching schools					
Direct costs	69,865	-	-	69,865	49,272
Allocated support costs	10,149	40,624	-	50,773	-
	9,550,743	1,597,233	1,689,292	12,837,268	11,054,533

Net income/(expenditure) is stated after charging/(crediting):

	2019	2018
	£	£
Auditors' remuneration	25,000	22,000
Auditors' remuneration for non-audit work	7,265	3,425
Depreciation - owned assets	865,748	711,898

7. RAISING FUNDS

Costs of fundraising

	2019	2018
	£	£
School fund	164,376	149,660

7. RAISING FUNDS - continued

Costs incurred by trading for a fundraising purpose

	2019 £	2018 £
Bad debts	240	2,638
Aggregate amounts	164,616	152,298

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Direct costs	-	8,399,051	8,399,051	7,408,655
Direct costs - teaching schools	26,522	43,343	69,865	49,272
Support costs	-	4,152,963	4,152,963	3,444,308
Support costs - teaching schools	50,773	-	50,773	-
	77,295	12,595,357	12,672,652	10,902,235

	2019 Total £	2018 Total £
Analysis of support costs		
Support staff costs	1,657,697	1,209,441
Depreciation	68,127	22,928
Technology costs	247,188	207,224
Premises costs	1,506,670	1,334,087
Other support costs	601,226	582,104
Governance costs	122,828	88,524
Total support costs	4,203,736	3,444,308

9. TRUSTEES' REMUNERATION AND BENEFITS

During the year retirement benefits were accruing to 2 Trustees (2018: 2) in respect of defined benefit pension schemes.

The staff Trustees, Mrs S Connell and Mrs T Bryden only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and Deputy Chief Executive Officer/Head of School respectively, and not in respect of their services as Trustees. Trustees do not receive any payments from the Academy Trust in respect of their role as Trustees.

The value of Trustees' remuneration, for the year ended 31 August 2019 and 2018 fell within the following bands:

	2019 £	2018 £
Chief Executive Officer and Trustee - remuneration	110,000 - 115,000	105,000 -110,000
Chief Executive Officer - employer's pension contribution	15,000 - 20,000	15,000 - 20,000
Deputy Chief Executive Officer and Trustee - remuneration	85,000 - 90,000	70,000 - 75,000
Deputy Chief Executive Officer - employer's pension contribution	10,000 - 15,000	10,000 - 15,000

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 9. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £838,888 (2018: £585,277).

Trustees' expenses
There were no trustees' expenses paid for the year ended 31 August 2019 nor for the year ended 31 August 2018.

10. STAFF COSTS

	2019	2018
	£	£
Wages and salaries	7,070,106	5,916,551
Social security costs	579,980	480,942
Operating costs of defined benefit pension schemes	1,699,617	1,509,236
Apprenticeship levy	35,633	25,548
	9,385,336	7,932,277
Supply teacher costs	164,546	131,780
Compensation payments	861	13,742
	9,550,743	8,077,799

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	2019	2018
Management - non teaching staff	11	10
Teaching staff	95	88
Support staff	153	141
	259	239

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

	2019	2018
£60,001 - £70,000	1	-
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
£100,001 - £110,000	-	1
£110,001 -£115,000	1	-
	3	2

The above employees participated in the Teachers Pension Scheme. During the year ended 31 August 2019, pension contributions for these staff members amounted to £44,764 (2018: £30,438).

11. TRUSTEES' AND OFFICERS' INSURANCE

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

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Restricted Fixed Asset Funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	203,930	-	83,236	287,166
Transfer from Local Authority on conversion	158,854	(467,486)	3,008,385	2,699,753
Charitable activities				
Funding for the academy's educational operations	101,609	9,433,442	-	9,535,051
Teaching schools	-	49,272	-	49,272
Other trading activities	54,572	-	-	54,572
Investment income	3,266	-	-	3,266
Total	522,231	9,015,228	3,091,621	12,629,080
EXPENDITURE ON				
Raising funds	149,660	2,638	-	152,298
Charitable activities				
Academy's educational operations	5,050	10,136,015	711,898	10,852,963
Teaching schools	-	49,272	-	49,272
Total	154,710	10,187,925	711,898	11,054,533
NET INCOME/(EXPENDITURE)	367,521	(1,172,697)	2,379,723	1,574,547
Transfers between funds	(105,900)	(188,867)	294,767	-
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	-	1,008,000	-	1,008,000
Net movement in funds	261,621	(353,564)	2,674,490	2,582,547
RECONCILIATION OF FUNDS				
Total funds brought forward				
As previously reported	190,602	(283,007)	13,102,236	13,009,831
Prior year adjustment	-	(110,000)	-	(110,000)
As Restated	190,602	(393,007)	13,102,236	12,899,831
TOTAL FUNDS CARRIED FORWARD	452,223	(746,571)	15,776,726	15,482,378

13. CENTRAL SERVICES

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

- Legal and professional fees
- Staffing costs
- Accountancy and audit fees
- HR and payroll costs
- Finance
- Internal auditor fees
- Staff training
- Executive SENCo
- Specialist teachers
- Education Welfare Officer

The academy charges for these services on the following basis:

In the year ended 31 August 2019 centralised costs were apportioned between the twelve primary academy schools on the basis of a flat rate percentage of income, of 5%.

The actual amounts charged during the year were as follows:

	2019 £
Middlefield Primary Academy	38,679
Winhills Primary Academy	48,333
The Round House Primary Academy	77,678
Great Staughton Primary Academy	18,326
Kimbolton Primary Academy	16,312
Glebelands Primary Academy	74,189
Thomas Eaton Primary Academy	31,694
Leverington Primary Academy	42,359
Murrow Primary Academy	24,408
Wintringham Primary Academy	7,104
Braybrook Primary Academy	35,255
Roman Way Primary Academy	18,750
	433,087

14. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Motor vehicles £	Equipment £	Totals £
COST					
At 1 September 2018	17,517,664	52,992	-	325,173	17,895,829
Additions	414,408	33,857	16,000	90,707	554,972
Transfer on conversion	8,749,756	-	-	-	8,749,756
At 31 August 2019	26,681,828	86,849	16,000	415,880	27,200,557
DEPRECIATION					
At 1 September 2018	2,021,912	16,566	-	118,450	2,156,928
Charge for year	797,621	8,513	-	59,614	865,748
Transfer on conversion	147,942	-	-	-	147,942
At 31 August 2019	2,967,475	25,079	-	178,064	3,170,618
NET BOOK VALUE					
At 31 August 2019	23,714,353	61,770	16,000	237,816	24,029,939
At 31 August 2018	15,495,752	36,426	-	206,723	15,738,901

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	55,881	20,366
VAT	240,701	177,460
Prepayments and accrued income	337,030	214,638
	633,612	412,464

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Other loans (see note 18)	5,773	4,719
Trade creditors	458,678	301,681
Social security and other taxes	147,022	118,257
Other creditors	1,067	3,082
Accruals and deferred income	320,571	359,990
	933,111	787,729

Deferred income

	£
Deferred income at 1 September 2018	275,076
Amounts released from previous years	(275,076)
Universal Infant Free School Meals	97,354
Growth Funding	68,719
Nursery Funding	31,020
Other	327
Deferred income at 31 August 2019	197,420

At the balance sheet date, the academy trust was holding funds from grants received in advance, which were provided to cover costs incurred in the Autumn term 2019.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	£	£
Other loans (see note 18)	29,966	17,303

18. LOANS

An analysis of the maturity of loans is given below:

	2019	2018
	£	£
Amounts falling due within one year on demand:		
Other loans	5,773	4,719
Amounts falling due between two and five years:		
Other loans	21,016	12,584
Amounts falling due in more than five years:		
Repayable by instalments:		
Other loans	8,950	4,719

The above loans are made up as follows:

- ESFA Salix loan £12,960, term: 8 years, 6 monthly loan repayment £810, repayment period: March 2017 - September 2024.

18. LOANS – continued

- ESFA Salix loan £12,209, term 8 years, 6 monthly loan repayment £763, repayment period: March 2017 - September 2024.

Two additional ESFA Salix loans were taken out in July 2019, of £8,786 and £8,076 respectively. The trust has yet to receive a repayment plan from the ESFA and therefore it has been assumed that these loans are repayable over 8 years.

19. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019	2018
	£	£
Within one year	6,401	5,494
Between one and five years	13,514	6,772
	19,915	12,266

20. 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 whilst 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.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

				2019
	Unrestricted funds	Restricted funds	Restricted Fixed Asset Funds	Total funds
	£	£	£	£
Fixed assets	-	-	24,029,939	24,029,939
Current assets	1,616,581	731,584	98,529	2,446,694
Current liabilities	(933,111)	-	-	(933,111)
Long term liabilities	(29,966)	-	-	(29,966)
Pension liability	-	(3,887,000)	-	(3,887,000)
	653,504	(3,155,416)	24,128,468	21,626,556

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

				2018
	Unrestricted funds	Restricted funds	Restricted Fixed Asset Funds	Total funds
			£	£
Fixed assets	-	-	15,738,901	15,738,901
Current assets	1,257,255	230,429	37,825	1,525,509
Current liabilities	(787,729)	-	-	(787,729)
Long term liabilities	(17,303)	-	-	(17,303)
Pension liability	-	(977,000)	-	(977,000)
	452,223	(746,571)	15,776,726	15,482,378

22. MOVEMENT IN FUNDS

	At 1/9/18 £	Net movement in funds £	Transfers between funds £	At 31/8/19 £
Unrestricted funds				
General fund	281,509	173,331	-	454,840
School Fund	170,714	27,950	-	198,664
	452,223	201,281	-	653,504
Restricted funds				
General Annual Grant (GAG)	204,273	608,154	(80,843)	731,584
Other DfE / ESFA grants	26,156	(26,156)	-	-
Pension Reserve	(977,000)	(2,910,000)	-	(3,887,000)
Restricted Fixed Asset Funds	15,776,726	8,270,899	80,843	24,128,468
	15,030,155	5,942,897	-	20,973,052
TOTAL FUNDS	15,482,378	6,144,178	-	21,626,556

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	250,626	(77,295)	-	173,331
School Fund	192,326	(164,376)	-	27,950
	442,952	(241,671)	-	201,281
Restricted funds				
General Annual Grant (GAG)	8,823,151	(8,214,997)	-	608,154
Other DfE / ESFA grants	865,676	(891,832)	-	(26,156)
LA Grants	897,402	(897,402)	-	-
Catering income	143,779	(143,779)	-	-
School Clubs	262,609	(262,609)	-	-
Pupil premium	744,230	(744,230)	-	-
Pension Reserve	(531,000)	(575,000)	(1,804,000)	(2,910,000)
Restricted Fixed Asset Funds	9,136,647	(865,748)	-	8,270,899
	20,342,494	(12,595,597)	(1,804,000)	5,942,897
TOTAL FUNDS	20,785,446	(12,837,268)	(1,804,000)	6,144,178

22. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/9/17 £	Prior year adjustment £	Net movement in funds £	Transfers between funds £	At 31/8/18 £
Unrestricted Funds					
General fund	74,158	-	313,251	(105,900)	281,509
School Fund	116,444	-	54,270	-	170,714
	190,602	-	367,521	(105,900)	452,223
Restricted Funds					
General Annual Grant (GAG)	122,941	-	270,199	(188,867)	204,273
Other DfE / ESFA grants	86,959	-	(60,803)	-	26,156
LA Grants	201,093	-	(201,093)	-	-
Pension Reserve	(694,000)	(110,000)	(173,000)	-	(977,000)
Restricted Fixed Asset Funds	13,102,236	-	2,379,723	294,767	15,776,726
	12,819,229	(110,000)	2,215,026	105,900	15,030,155
TOTAL FUNDS	13,009,831	(110,000)	2,582,547	-	15,482,378

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	318,301	(5,050)	-	313,251
School Fund	203,930	(149,660)	-	54,270
	522,231	(154,710)	-	367,521
Restricted funds				
General Annual Grant (GAG)	7,453,634	(7,183,435)	-	270,199
Other DfE / ESFA grants	513,435	(574,238)	-	(60,803)
LA Grants	594,569	(795,662)	-	(201,093)
Catering income	157,179	(157,179)	-	-
School Clubs	223,669	(223,669)	-	-
Pupil premium	689,742	(689,742)	-	-
Pension Reserve	(617,000)	(564,000)	1,008,000	(173,000)
Restricted Fixed Asset Funds	3,091,621	(711,898)	-	2,379,723
	12,106,849	(10,899,823)	1,008,000	2,215,026
TOTAL FUNDS	12,629,080	(11,054,533)	1,008,000	2,582,547

22. MOVEMENT IN FUNDS - continued

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

Designated Funds:
The Academy Trust maintains a separate, designated fund for the school funds which includes income and expenditure relating to school trips and activities.

General Funds:
The Academy Trust's general fund represents the funds transferred on conversion and income and expenditure relating to activities undertaken by the Academy Trust as part of its charitable activities. The Academy Trust can use these funds for any purpose.

Restricted Funds:
The Academy Trust received a number of grants during the period for the purpose of providing educational services to its pupils. These funds included grants from the ESFA for the General Annual Grant (GAG) and Project Development Grants. Other grants were also received from the Local Authority. These grants have been used for staff costs, educational resources and general costs incurred in the running of the Academy.

Pension Reserve - As stated in note 23 the Academy Trust is a participating employer in two defined benefit pension schemes. The liabilities relating to The Diamond Learning Partnership Trust can only be determined for one of those schemes. A separate reserve has been included to show the impact of the changes in valuation of the pension scheme.

Restricted Fixed Asset Fund:
The Academy Trust received Capital Formula funding to be spent on capital repairs and the purchase of new equipment. Assets which are capitalised in the accounts are represented by a separate fund within the Restricted Fixed Asset Reserve.

At 31 August 2019 expenditure incurred on capital projects totalled £474,130 spent out of capital grants received. The balance carried forward on the Restricted fixed asset fund includes £98,528 of capital grants received but not yet spent at 31 August 2019.

	Balance brought forward	Capital Grants received	Project expenditure	Balance carried forward
	£	£	£	£
Middlefield Primary Academy	6,407	16,190	(13,228)	9,369
Winhills Primary Academy	-	92,783	(87,517)	5,266
Round House Primary Academy	-	23,773	(23,773)	-
Great Staughton Primary Academy	4,713	9,901	(12,367)	2,247
Kimbolton Primary Academy	22,533	9,945	(11,298)	21,180
Glebelands Primary Academy	-	167,680	(149,122)	18,558
Thomas Eaton Primary Academy	4,712	13,803	(17,975)	-
Leverington Primary Academy	-	152,849	(152,849)	-
Murrow Primary Academy	-	11,333	(4,816)	6,517
Wintringham Primary Academy	-	-	-	-
Braybrook Primary Academy	-	29,998	(1,185)	28,813
Roman Way Primary Academy	-	6,578	-	6,578
	37,825	534,833	(474,130)	98,528

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

22. MOVEMENT IN FUNDS - continued

Analysis of academies by fund balance:
Fund balances as at 31 August 2019 were allocated as follows:

	Total £
Middlefield Primary Academy	6,048
Winhills Primary Academy	589
The Round House Primary Academy	389,745
Great Staughton Primary Academy	36,791
Kimbolton Primary Academy	51,978
Glebelands Primary Academy	13,459
Thomas Eaton Primary Academy	18,557
Leverington Primary Academy	133,752
Murrow Primary Academy	172,404
Wintringham Primary Academy	332,551
Braybrook Primary Academy	83,026
Roman Way Academy	144,920
Trust	1,268
Total before Other ESFA grant funding reserve, fixed asset fund and pension reserve	1,385,088
Other ESFA grant funding reserve	-
Restricted fixed asset fund	24,128,468
Pension reserve	(3,887,000)
Total	21,626,556

Analysis of academies by cost:

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Middlefield Primary Academy	663,119	115,420	39,279	186,304	1,004,122
Winhills Primary Academy	904,334	236,588	38,339	234,193	1,413,454
The Round House Primary Academy	1,356,921	203,275	48,294	359,920	1,968,410
Great Staughton Primary Academy	240,520	56,658	20,164	98,248	415,590
Kimbolton Primary Academy	260,878	109,358	14,150	90,988	475,374
Glebelands Primary Academy	1,396,943	155,695	68,508	321,318	1,942,464
Thomas Eaton Primary Academy	547,578	131,252	40,207	152,752	871,789
Leverington Primary Academy	655,814	94,818	44,502	213,046	1,008,180
Murrow Primary Academy	371,697	59,192	21,542	119,838	572,269
Wintringham Primary Academy	76,576	574	8,383	21,707	107,240
Braybrook Primary Academy	588,410	117,284	27,847	170,843	904,384
Roman Way Primary Academy	261,491	41,858	8,157	92,458	403,964
Central services	290,708	335,725	2,555	255,292	884,280
	7,614,989	1,657,697	381,927	2,316,907	11,971,520

23. PENSION AND SIMILAR OBLIGATIONS

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);
- 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; and
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4% 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 September 2019.

The pension costs paid to TPS in the period amounted to £636,317 (2018: £550,283).

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

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

23. PENSION AND SIMILAR OBLIGATIONS
- 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 £750,126 (2018: £616,269), of which employer's contributions totalled £590,850 (2018: £492,082) and employees' contributions totalled £159,276 (2018: £124,187).

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.

As described in note 1 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained schools and new employees who were eligible to, and did, join the scheme since conversion. As noted previously, for some of the primary academies in the trust, the trust does not have an obligation in respect of employees who transferred on conversion which represents their cumulative services at both the predecessor school and the academy at the date of transfer. Accordingly, where this part of the deficit is known it is excluded from the balance sheet of the Academy Trust.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans 2019	2018
	£	£
Present value of funded obligations	(8,675,000)	(4,445,000)
Fair value of plan assets	4,788,000	3,468,000
	(3,887,000)	(977,000)
Deficit	(3,887,000)	(977,000)
Liability	(3,887,000)	(977,000)

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

	Defined benefit pension plans 2019	2018
	£	£
Current service cost	1,061,000	960,000
Net interest from net defined benefit asset/liability	242,000	190,000
	1,303,000	1,150,000
Actual return on plan assets	277,000	292,000

23. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans 2019 £	2018 £
Defined benefit obligation	4,445,000	2,423,000
Current service cost	1,061,000	960,000
Contributions by scheme participants	159,000	125,000
Interest cost	242,000	190,000
Obligation transfer of ownership	855,000	1,589,000
Benefits paid	(29,000)	(33,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	(672,000)	-
Actuarial (gains)/losses from changes in financial assumptions	2,614,000	(809,000)
	8,675,000	4,445,000

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans 2019 £	2018 £
Fair value of scheme assets	3,468,000	1,619,000
Assets transfer of ownership	324,000	972,000
Assets Interest income	139,000	93,000
Contributions by employer	589,000	493,000
Contributions by scheme participants	159,000	125,000
Benefits paid	(29,000)	(33,000)
Return on plan assets (excluding interest income)	138,000	199,000
	4,788,000	3,468,000

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans 2019 £	2018 £
Actuarial (gains)/losses from changes in demographic assumptions	672,000	-
Actuarial (gains)/losses from changes in financial assumptions	(2,614,000)	809,000
Return on plan assets (excluding interest income)	138,000	199,000
	(1,804,000)	1,008,000

23. PENSION AND SIMILAR OBLIGATIONS - continued

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	2019	2018
Equities	75%	79%
Bonds	13%	11%
Property	11%	7%
Cash	1%	3%

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

	2019	2018
Current pensioners		
Males	21.5	22.4
Females	22.4	24.4
Future pensioners		
Males	23.5	24.0
Females	24.9	26.3

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2019	2018
Discount rate	1.9%	2.8%
Future salary increases	2.6%	2.6%
Future pension increases	2.3%	2.3%

In accordance with best practice below is a sensitivity analysis of changes in the Actuarial Assumptions used in valuing the defined benefit pension scheme.

Changes in assumptions as at 31 August 2019	Range of approximate increase to Defined Benefit Obligation	Approximate monetary amount £
0.5% decrease in Real Discount Rate	10% to 19%	1,234,000
0.5% increase in the Salary Increase Rate	1% to 3%	148,000
0.5% increase in the Pension Increase Rate	9% to 17%	1,063,000

24. CAPITAL COMMITMENTS

	2019	2018
	£	£
Contracted but not provided for in the financial statements	-	-

25. RELATED PARTY DISCLOSURES

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.

The wife of Mr A Ball (Chair of Trustees) is employed by the Academy. The appointment was made following the Academy's staff recruitment policy. During the year the remuneration fell within the band £0 - £5,000.

PFSI Trading Ltd is a company whereby the wife of Mr A Ball (Chair of Trustees) is a director and shareholder. During the year purchases with this company fell within the band £0 - £5,000. The purchases were made following the Academy's purchasing policy.

No other related party transactions took place in the year of account.

26. CONVERSION TO AN ACADEMY

On 1 January 2019 Braybrook Primary School, and on 1 April 2019 Roman Way Primary School both converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Diamond Learning Partnership Trust for £Nil consideration.

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

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

Braybrook Primary School

	Unrestricted funds £	Restricted funds £	Restricted Fixed Asset funds £	Total funds £
Long Leasehold land and buildings	-	-	3,328,358	3,328,358
Budget Surplus on LA funds	-	96,185	-	96,185
Total	-	96,185	3,328,358	3,424,543

The above net assets included cash £96,185 transferred on conversion.

The restricted fixed asset funds represents a long leasehold building, the term of the lease being 125 years. The land and buildings were last valued on 1 April 2016. This value has been used for the purpose of establishing the value on conversion.

Roman Way Primary School

	Unrestricted funds £	Restricted funds £	Restricted Fixed Asset funds £	Total funds £
Long Leasehold land and buildings	-	-	5,273,456	5,273,456
Budget Surplus on LA funds	-	65,797	-	65,797
Total	-	65,797	5,273,456	5,339,253

The above net assets included cash £65,797 transferred on conversion.

The restricted fixed asset funds represents a long leasehold building, the term of the lease being 125 years. The land and buildings were last valued on 31 March 2019. This value has been used for the purposes of conversion.

27. TEACHING SCHOOL TRADING ACCOUNT

	2019 £	2018 £
Income		
Charitable activities		
Other Dfe/ EsFA Grants	43,343	49,272
Consultancy	89,605	-
Total income	132,949	49,272
Expenditure		
Charitable activities		
Wages and salaries	80,014	49,272
Support costs	40,624	
Total expenditure	120,638	49,272
Surplus/ (deficit) from all sources	12,311	-

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2019

	2019 £	2018 £
INCOME AND ENDOWMENTS		
Donations and capital grants		
Other voluntary income	275,473	203,930
Capital grants	534,833	83,236
	810,306	287,166
Transfer from Local Authority on conversion	8,232,796	2,699,753
Other trading activities		
Facilities and services	56,004	54,572
Investment income		
Deposit account interest	4,459	3,266
Charitable activities		
General Annual Grant (GAG)	8,823,152	7,304,119
Start-up/ Project development costs	50,000	-
Other DfE/ESFA grants	1,559,906	1,203,177
Local authority grants	735,420	594,570
Catering	143,779	157,179
School clubs	262,609	223,669
Consultancy income	107,015	101,609
	11,681,881	9,584,323
Total incoming resources	20,785,446	12,629,080
EXPENDITURE		
Costs of fundraising		
School fund	164,376	149,660
Costs incurred by trading for a fundraising purpose		
Bad debts	240	2,638
Charitable activities		
Wages	5,712,125	4,936,230
Social security	505,021	430,871
Pensions	1,475,721	1,330,187
Supply teacher costs	164,546	131,780
Staff restructuring costs	-	13,742
Apprenticeship levy	35,633	25,548
Educational supplies	381,927	407,559
Staff development	193,943	182,010
	8,468,916	7,457,927

THE DIAMOND LEARNING PARTNERSHIP TRUST

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2019

	2019 £	2018 £
Support costs		
Management		
Wages	1,357,981	980,321
Social security	74,959	50,071
Pensions	223,896	179,049
Compensation payments	861	-
Printing, postage and stationery	66,934	51,650
	1,724,631	1,261,091
Finance		
Expected return on pension scheme assets	(139,000)	(93,000)
Interest on pension scheme liabilities	242,000	190,000
	103,000	97,000
Information technology		
Technology costs	247,188	207,224
Other		
Maintenance of premises and equipment	264,788	219,152
Rent and rates	108,718	71,705
Energy costs	175,573	133,600
Insurance	44,093	78,943
Catering	498,226	485,104
Long leasehold	797,621	688,970
Fixtures and fittings	8,513	4,507
Computer equipment	59,614	18,421
Other costs	48,943	90,067
	2,006,089	1,790,469
Governance costs		
Legal and professional	90,563	63,099
Auditors' remuneration	25,000	22,000
Auditors' remuneration for non-audit work	7,265	3,425
	122,828	88,524
Total resources expended	12,837,268	11,054,533
Net income	7,948,178	1,574,547