

## **SENDAT**

**(A company limited by guarantee)**

### **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018**



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**SENDAT**  
(A company limited by guarantee)

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

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**Members**

Mr R A Carter  
Lady K J Fisher  
Dr A Mathur (appointed 1 April 2018)  
Dr N Savvas  
Mrs R Varley (Chairman)

**Trustees**

Mr M Attwood (resigned 4 October 2017)<sup>1</sup>  
Mr L Chapman<sup>1</sup>  
Mr R Inman, Vice Chair - from 5 September 2018<sup>1</sup>  
Ms S Jones (resigned 6 November 2017)  
Mr N Kellett, Chair  
Mrs G Lewis (resigned 6 September 2017)  
Mr A J Maltpress  
Mr I Morrison (resigned 17 September 2018)<sup>1</sup>  
Mr M Redmond, Vice Chair - from 4 October 2017<sup>1</sup>  
Mrs R Sadler (appointed 28 April 2017, resigned 28 April 2018)  
Mrs S Snowdon (appointed 18 July 2018)

<sup>1</sup> Member of the Resources Committee

**Company registered number**

07729941

**Company name**

SENDAT

**Principal and registered office**

Priory School, Mount Road, Bury St Edmunds, Suffolk, IP32 7BH

**Company secretary**

Mrs T Darby

**Chief executive officer**

L Chapman

**Senior management team**

Mr L Chapman, Headteacher / CFO  
Mrs T Darby, Chief Finance & Operations Officer  
Mrs G Lewis, Head of Care  
Mr M Truman, Deputy Headteacher  
Mrs A Whatley, Partnership Director

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

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**Advisers (continued)**

**Bankers**

Lloyds TSB plc, Risbygate Street, PO Box 1000, BX1 1LT

**Solicitors**

Browne Jacobson LLP, 15th Floor, 6 Bevis Marks, London, EC3A 7BA

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2017 to 31 August 2018. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust operates a special academy for pupils aged 5 to 18 serving a catchment area of all of West Suffolk. It has a pupil capacity of 175 and a roll of 168 at the time of the school census October 2017.

### **Structure, governance and management**

#### **a. CONSTITUTION**

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the academy trust.

The Trustees of SENDAT (Special Educational Needs and Disabilities Academy Trust) are also the directors of the charitable company for the purpose of company law.

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

The Academy Trust's principle activities are as follows, and are set out in the articles of association and funding agreement.

- To manage the budget as allocated by the Education Funding Agency
- To provide education to pupils in line with each individual Education, Health and Care Plan (EHCP)
- To establish and maintain a broad and balanced curriculum
- To promote for the benefit of the people of Bury St Edmunds and the surrounding area the provision of facilities for recreation and leisure time activities, with priority given for pupils with Special Educational Needs.
- To establish, maintain, carry on, manage, and develop the Academy at Mount Road, Bury St Edmunds, Suffolk, IP32 7BH

#### **b. MEMBERS' LIABILITY**

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

#### **c. TRUSTEES' INDEMNITIES**

There were no provisions required for third party indemnity.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

The management of the company is the responsibility of the trustees who are appointed under the terms of the articles of association. The Articles state that there shall not be less than 3, but not subject to any maximum.

- a. Up to 6 Trustees appointed through resolution with the Members
- b. Up to 2 Trustees appointed by West Suffolk College
- c. Up to 2 Academy Trustees
- d. Up to 2 Staff Trustees proposed by the CEO - the total number of employees of the Trust who are Trustees shall not exceed one third of the Trust.

Trustees are subject to retirement after a term of four years. After the term they are eligible for re-election at the meeting at which they retire.

Trustees are appointed with reference to their individual skill in order to maintain a full board representing education, health, social services, business, finance and the law. A skills audit is used to identify any significant gaps.

All new trustees who are unfamiliar with the trust, will be given a tour of the buildings associated with SENDAT. Opportunities are given to attend meetings with staff and students. Trustees are provided with copies of policies and procedures as required. They are given access to minutes, accounts, budgets, plans and other documents to inform them for their role as trustees.

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

Trustees are encouraged to attend local authority coordinated governor training. The training and induction provided for new trustees is dependent on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. Trustees are encouraged to visit each provision and see staff and students in action.

**f. ORGANISATIONAL STRUCTURE**

The management structure consists of five members and the articles of Association allow for a minimum of three trustees. Four representatives sit on Priory School's Local Academy Board (LAB). There are two directors committees, Provision and Resources. The Senior Leadership Team consists of the CEO/Headteacher, Deputy Head Teacher, Chief Finance and Operations Officer, Director of Residence and Safeguarding and Partnership Director. The trustees are responsible for setting the strategic vision, adopting an annual plan and budget, monitoring the Academy Trust by the use of budgets and making major decisions about the direction of the Academy Trust, capital expenditure and senior staff appointments.

The scheme of delegation sets the decision making structure of the trust. The board of trustees meets seven times within an academic year. The trust delegates decision making powers to a Provision Committee and a Resources Committee both of which meet six times a year. In addition, Members meet at least once a year with the CEO in attendance.

Committees of the Full Board have delegated responsibilities. The following committees have functioned during the 2017/18 academic year: Members Committee, Resources Committee (incorporating the Pay Committee and Audit Committee) and Provision Committee.

The Senior Leadership Team controls the Academy Trust at an executive level implementing the policies laid down by the trustees and reporting back to them. The CEO/Headteacher is the Accounting Officer.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL**

The Trust has a Pay Policy that is reviewed and updated annually. It lays down the policy for the senior leaders and all other members of staff. The Trust's Pay committee meets at the end of July to consider staff progress to targets and remuneration. The Pay Committee challenges the recommendations of the CEO and review a cross section of the performance process and associated records and findings. Pay is determined by reviewing market factors bearing in mind the financial circumstances of the trust both in the short and longer term.

Annually, at the beginning of the autumn term, the Chair of Directors, assisted by an independent advisor and other directors, assesses the CEO's performance by reviewing past performance and setting appropriate targets for the year ahead. They make a recommendation on remuneration of the CEO to the Resources committee and then to the full board.

**h. TRADE UNION FACILITY TIME**

**Relevant union officials**

Number of employees who were relevant union officials during the year	<b>2</b>
Full-time equivalent employee number	<b>2</b>

**Percentage of time spent on facility time**

<b>Percentage of time</b>	<b>Number of employees</b>
0%	-
1%-50%	-
51%-99%	-
100%	-

**Percentage of pay bill spent on facility time** **£**

Total cost of facility time	-
Total pay bill	<b>2,739,783</b>
Percentage of total pay bill spent on facility time	- %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**i. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

The trust is involved in a number of networks and provides multi-disciplinary teamwork as a key priority. At local level the trust:

- Leads the SENDAT Outreach Service across the County of Suffolk
- Works very closely with West Suffolk College to enhance and further develop post 16 SEND provision at Angel Hill College.
- West Suffolk Wheelers based on the school site
- The Samaritans deliver training from the site
- Bury St Edmund Scouts, running explorer Scouts at Priory
- Duke of Edinburgh's Award Scheme

At a local and regional level the trust:

- Is involved with moderation networks to ensure consistency of assessment.
- Is linked with the Institute of Outdoor Learning, further developing learning outside the classroom for students with SEND.
- Has an Education Management Team (EMT) that is involved in network meetings with fellow professionals at local and regional level.
- Is chair of Suffolk SEND Further Education & Learning Committee
- Is involved with Suffolk Special Schools network
- Is involved with Suffolk PRU Network
- CFOO is a member of Working Group 1 working with the ESFA on the Financial Handbook and other related matters

At national and regional level the school:

- Is committed to the development of special academies and Multi-academy Trusts.
- Collaborates with the European Outdoor Education Network

SENDAT leads in the provision of the Suffolk Outreach Service which provides vital and well-regarded SEN support at local, regional and national levels via network systems.

**Objectives and Activities**

**a. OBJECTS AND AIMS**

In line with the Academy's Statement of Intent SENDAT / Priory School promotes and seeks to achieve the following for every student by:

- Delivering high quality education, achieved by giving paramount consideration to the needs of the students - social, emotional, educational and spiritual development
- Developing the school's capacity as an extended school; enhancing the range of experiences available to each student; offering them increasing opportunity for personal, social, intellectual, physical and spiritual development.
- Continuing to work to ensure the trust maintains a central place within the wider community
- Ensuring disability equality and inclusion.



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**b. OBJECTIVES, STRATEGIES AND ACTIVITIES**

The following is a brief summary of some of the main objectives of the trust during the last year on which it acted. The Trust is in its third year since becoming established in September 2015:

- Continue with financial control which has allowed for continuous monitoring of expenditure thus ensuring adequate funds for planned changes
- Open key stage one classroom to students
- Develop strong links with Teaching School Alliances
- Review the use of MIS and other systems comparing against new software
- Further develop the continuum of SEND provision.
- Continue to review skills of directors and the identification of areas needing strengthening
- Ensure compliance with GDPR
- Supporting other SEND provision and schools/academies to further improve outcomes for young people with SEND
- Capital Improvement Fund (CIF) bids for kitchen and dining (see projects through to completion)
- Capital Improvement Fund (CIF) bid for roofing (see project through to completion)
- Construct Sensory Room
- Extended the SENDAT Outreach team who have been supporting over half the mainstream schools in Suffolk.
- Submit free school applications as opportunities arise.
- Continue to invest in staff development, NPQH and HLTA
- Further develop Angel Hill College for post 16 SEND students. This is a separate building to Priory School and is based on Angel Hill in Bury St Edmunds. SENDAT is sub contracted by West Suffolk College to deliver education to students for whom the mainstream college is not yet appropriate

**c. PUBLIC BENEFIT**

The academy trust directors recognise their charitable responsibilities for the advancement of education as described by the Charity Commission's statement of Recommended Practice. They have also considered public benefit guidance issued by the Charity Commission. The directors have recorded in this report the activities carried out by the trust in furtherance of the charitable purposes for the public benefit.

**Achievements and performance**

**Strategic report**

**a. KEY PERFORMANCE INDICATORS**

The budget is set to ensure that the objectives of the Trust Development Plan, as well as the overarching objectives of the trust can be met. The financial performance of the trust is judged on its ability to deliver in this regard.

Benchmarking special schools is complex as the provisions are so often unique in their student population and the services they provide. Together with another trust a bespoke report was commissioned attempting to match data with other similar schools. Directors consider the ratios of staff costs to income are broadly similar to other schools of a similar make up and nature.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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From January 2018 the Academy has a PAN (Pupil Admissions Number) each year of 175. Additionally, the school has been asked to accept a further 13 LA commissioned on to the school roll.

Whilst it is apparent the demand for places at the trust is very high trustees are acutely aware of the need for prudent financial management and budget planning to ensure the future sustainability of SENDAT. With the uncertainty of future funding levels, due to the LA review of High Tariff Needs and the continuing static nature of place funding the trustees are aware of the need to carefully balance the control of costs whilst maintaining the quality SEND provision that SENDAT prides itself on

The board of directors are aware of the increasing popularity of SENDAT/Priory School and the increasing propensity of parents to take the tribunal route in order to secure a place at Priory School. During the Academic Year 2017/18 the Head Teacher and the LA Special Needs Officer have been mindful of the need to avoid tribunals and have therefore offered places accordingly.

**b. GOING CONCERN**

After making appropriate enquiries, the board of directors 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.

**c. REVIEW OF ACTIVITIES**

This is the third year of the Multi Academy Trust SENDAT. This is the sixth year with Lawrence Chapman as Head Teacher of Priory School. The systems for financial recording are well established and the budget is well managed. The stable teaching staff has been strengthened through the recruitment of new teachers who have brought additional skills to the Academy.

External links with other special schools, the local colleges and other businesses have continued to grow.

The achievements of the pupils have been a strong feature of the school, as has their attainment in external accredited examination and their progress against school-based targets.

- Progress in English for whole school (incl sixth form and MR) - 95.8%
- Progress for Boarders in English - 100.0%
- Progress in maths for whole school (incl sixth form and MR) - 98.0%
- Progress for Boarders in Maths - 95.7%
- Progress in Science for whole school (Incl MR not sixth form)- 96.6%
- Progress for Boarders in Science - 97.9%

Overall 91% of students achieved 5 or more recognised qualifications

2 students achieved passes in GCSE Maths

2 students achieved passes in GCSE Art & Design

The residential OFSTED review graded the residential provision Good in November 2017 and Outstanding in June 2018.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Financial review**

**a. FINANCIAL POSITION**

During the year ended 31st August 2018, total revenue expenditure of £3,706,469 was covered by recurrent grant funding from the Education and Skills Funding Agency (ESFA) and the Local Authority (LA), funds brought forward from last year together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds and Local Government Pension Scheme (LGPS) costs) was £276,319. Combined with reserves brought forward from 2016-17 of £620,628 gives a revenue carry forward of £896,947 which is greater than the level of planned reserves as detailed in the Reserves Policy. Of this surplus the Directors have earmarked £150k to support future CIF grant applications. The remainder represents a prudent and necessary level of reserves given the uncertainty of future funding levels related to the changes in the distribution of High Tariff Needs (HTN) funding by the Local Authority. The condition of the school buildings also warrants a high level of cash reserves to deal with unforeseen remedial works due to the poor condition of the building.

This surplus, combined with the LGPS liability and restricted fixed asset funds gives a total funds carry forward figure of £6,239,398.

In line with the fixed asset policy £170,082 was transferred from revenue to the fixed asset fund during 2017-18.

During the year ending 31st August 2018 the school successfully applied for, and was awarded, Capital Improvement (CIF) Grants for refurbishment and enhancements to the school catering kitchen and dining facilities £132,020 and £377,138 for roof refurbishments. The capital funding received in the year ending 31st August 2018 totalled £367,743 made up of CIF kitchen £118,818, CIF roof £59,714 and Devolved Formula capital £8,961. The school was also fortunate to receive capital grant funding from Tesco's, The Clothworkers Foundation, Lord's Taverners, Co-Op and others totalling £42,789. The LA committed £137,461 to the Kitchen refurbishment project. The school has capital commitments totalling £399,273 which will be covered by CIF grant receipts during the autumn term 2018.

At 31st August 2018 the net book value of fixed assets was £6,051,076 and movements in tangible fixed assets are shown in the note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy Trust.

In accordance with FRS 102, the Academy received an actuarial assessment of pension scheme deficit. The deficit balance is included within the balance sheet as at 31st August 2018 and detailed in the supporting note 26 to the accounts.

**b. RESERVES POLICY**

The trustees aim to demonstrate prudence and sound financial planning to cover the unexpected and unplanned in order to protect the delivery of the trust's primary objectives under unforeseen circumstances. Trustees may also set aside reserves for investment in future years (e.g to improve or expand facilities or to develop the trust itself).

To mitigate the risk of frequent delayed funding from the LA and the risk of significant expense due to the condition of the buildings, trustees consider it prudent to maintain a free reserve equivalent to at least one month's payroll expenditure.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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To mitigate the risk of future income reduction and to provide a fund for building development, the trustees may provide for further reserves determined on an annual basis. Reserves are determined with reference to the in-year and cumulative financial performance of the trust, the individual schools within the trust and an assessment of the key risks and future investment requirements.

The level of reserves at 31st August 2018 was as follows:

	£
Funds with surplus balance:	
Unrestricted general reserves	317,391
Restricted general reserves	<u>579,556</u>
Total restricted and unrestricted general funds	896,947
Restricted fixed asset fund	6,062,451
Funds with deficit balance:	
Restricted pension fund (see note 26 for further details)	<u>(720,000)</u>
Net fund position	<u>6,239,398</u>

Net total funds with restrictions placed on their use amounted to £5,922,007 at the year end.

**c. MATERIAL INVESTMENTS POLICY**

As in previous years, the school's financial position has not allowed for the development of investments. Should this position improve in the year 2018/19 advice will be sought from an independent financial advisor with reference to the balance held in the trust bank account.

**d. PRINCIPAL RISKS AND UNCERTAINTIES**

The trustees have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy and its finances. The trustees have implemented a comprehensive set of systems to assess risks that the school faces in relation to operational, financial, reputational and compliance risks. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover and appropriate level of reserves. The medium term strategic budget plan contains estimates for future funding levels and reserves are a critical part of the plan to ensure the future sustainability of the trust.

The financial risks and uncertainties facing SENDAT continue to change and directors keep these under review. The directors and Senior Leadership Team are acutely aware of the need to balance financial prudence with maintaining the outstanding SEN provision for which the trust is renowned.

The major risks to which the Academy is exposed are identified as unexpected costs or changes in government or local authority policy that affects the trust's income. For example, initiatives which could impact on the number of children who are referred to the school and the Special Educational Needs tribunals which could inflate the school roll without the necessary financial adjustments for a significant period of time after pupil admission.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The Local Authority has undertaken a review of High Tariff Needs funding (HTN) and plans to implement this in the near future. It is currently not clear how this will impact the trust. Clearly a reduction in funding is a significant financial risk given that HTN is broadly 50% of the Trust's revenue income.

Similarly, SEND base funding has remained static at £10,000 per student for at least the last 7 years. With increasing costs associated with running schools and employing staff to support the education of our students with SEND this real term drop in funding is of ever increasing concern.

Operationally, policies and procedures are well established, regularly reviewed and understood and adopted by all adults. This ensures that any potential risk is minimised. Every attempt is made to minimise risk with continuous review of procedures.

**e. DEFICIT**

The restricted pension fund is in deficit at the year end as detailed in note 26 to these financial statements.

The deficit shown in the accounts is as a result of the actuarial valuation and the corresponding liability does not result in an immediate cash flow impact on the charity as it is not a liability which must be settled immediately. At present, there is no deficit funding plan in place where additional contributions must be made. The disclosure of a pension liability does not mean that the equivalent amount is already committed and is no longer available to the trustees to further the charity's objectives.

**f. PRINCIPAL FUNDING**

The trust's roll was 168 in October 2017 but with a planned increase in roll to 185 by October 2018 following increased demand for places from the local authority. The majority of the trust's income is obtained from the Education and Skills Funding Agency (ESFA) and the Local Authority (LA) in the form of recurrent grants, based on student numbers, the use of which is restricted to particular purposes. The restricted grants received from the ESFA and the LA during the year ended 31st August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The trust also receives a small annual grant for building maintenance from the ESFA and this year has benefited from a number of capital grants from charitable organisations as well as the CIF grants awarded by the ESFA as detailed above.

In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (2015), such grants are shown in the statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

**Fundraising**

The trust has supported charitable activities nationally and locally. Charitable events are instigated through the school council and then promoted through activities including sponsored walks, cycle rides, discos and non-uniform days.

The school also has a parent association known as The Friends Of Priory School (FOPS) that is a registered charity with the sole objective of raising funds for Priory School. Parents and staff volunteers give of their own time to raise funds. For example, raffles, sales of coffee and tea using school car park facilities to raise money during St Edmundsbury Christmas Fayre. Some of the grant income received this year in support of the sensory room project was applied for under the name of Friends Of Priory School.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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All fundraising is approved by the Headteacher/CEO to ensure anything planned compliments and supports appropriately the objects of SENDAT.

Charities supported this year:

- Children in Need
- Sports Relief
- Friends of Priory School
- Bus Shelter
- Macmillan
- Save the Children

**Plans for future periods**

**a. FUTURE DEVELOPMENTS**

Plans for the academic year 2018-19 are directly linked to the Trust Development Plan. Directors are focused on the strategic vision of the school and holding Senior staff to account for the performance of the trust.

Directors and senior leaders are acutely aware of the poor condition of the building and infrastructure. Priory School was opened in 1974 and is now suffering with the wear and tear associated with a 44 year old building. The remainder of the roofs, the heating infrastructure, electrics, fire alarm, windows and doors and residential areas are all in dire need of replacement or refurbishment. The prioritised Priory strategic buildings development plan has been informed by an independent expert compiled condition survey. The Directors hope to attract grant funding (CIF funding) to fund the considerable works required. Revenue reserves will be used to contribute to this work and also fund smaller remedial works as needed.

Specific Plans include:

- Working with other partners and schools to look at the expansion of provision and trust
- Review of curriculum to ensure is best fit to increasingly complex need of student population
- CPD related to enhancing skills of staff and also connected to new MIS and associated software
- CPD related whole staff skills for working with the increasingly complex need of students
- CIF grant bid planned for Fire Alarm and Emergency Lighting replacement and upgrade at Priory School
- CIF grant bid planned for Heating Infrastructure replacement and upgrade at Priory School
- Replace some of the windows in worst condition at Priory School
- Refurbish toilet block introducing a unisex toilet block to Priory School
- Exploring the possibility of a small extension to the staff room at Priory School

**FUNDS HELD AS CUSTODIAN**

No funds are held as Custodian Trustee on behalf of others.

**DISCLOSURE OF INFORMATION TO AUDITORS**

Insofar as the Trustees are aware:

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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12 December 2018 and signed on its behalf by:

  
.....  
**Mr N Kellett, Chair**

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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

As trustees, we acknowledge we have overall responsibility for ensuring that SENDAT has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the CEO / Headteacher, 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 SENDAT and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 7 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
Mr M Attwood	1	1
Mr L Chapman	7	7
Mr R Inman, Vice Chair - from 5 September 2018	6	7
Ms S Jones	1	2
Mr N Kellett, Chair	7	7
Mrs G Lewis	0	1
Mr A J Maltpress	6	7
Mr I Morrison	4	7
Mr M Redmond, Vice Chair - from 4 October 2017	6	7
Mrs R Sadler	2	5
Mrs S Snowdon	0	0

**Changes in the composition**

The board of directors restructured its organisation to ensure the role of director remains both effective and realistic of volunteers. Each committee is clear of its terms of reference and is empowered to make decisions or escalate recommendations for consideration of the full board of directors. In this way they have ensured that matters are conducted effectively and efficiently with focus on raising attainment and best value for money.

During the year 4 directors resigned and 1 director joined the board. The board are actively seeking new trustees with appropriate and specific skills to add to their number and enhance the breadth and depth of knowledge.

**Governance review**

The trustees and the trust are ambitious for the development of SENDAT. The trustees have future plans for SENDAT to expand and are seeking to add appropriate schools to the trust during the years ahead. This expansion will be progressed carefully ensuring any joining school complements the aims and objectives of SENDAT.



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**GOVERNANCE STATEMENT (continued)**

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The board of trustees has conducted a skills audit and regularly evaluates its meetings. The outcomes of these evaluations are that trustees feel well informed and able to contribute to meetings in a meaningful way. They feel empowered to ask challenging questions and ensure rigour in the leadership of the trust. The audit identified that the board would benefit from a trustee with an education background to enhance the business skills of the majority of board members.

The board of trustees used an external consultant to conduct a review of safeguarding practices and procedures with the school. This was used to provide assurance to trustees and also to inform where any improvements could be made.

The board also meet with SLT and trust middle leaders to evaluate the school development plan and to discuss the scope and future direction of the trust.

During the year under review the board has also evaluated the data they receive with the aim of ensuring they get key performance information in the optimum way. The trustees have spent considerable time working with both the Headteacher and the Chief Finance and Operations Officer refining the dashboard and format of reports.

The Resources Committee is a sub-committee of the main board of trustees. It usually meets ½ termly. This committee also performs the roles of the Audit Committee and the Pay Committee. The committee is focused on the strategic leadership of the trust including finance and staffing. They set robust targets for the CEO/Headteacher and leadership team to implement and report back on.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
M Attwood	0	1
L Chapman	6	6
R Inman	5	6
N Kellett	6	6
I Morrison	6	6
M Redmond	5	6
R Sadler	1	1

#### **REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the CEO / Headteacher 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.

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**SENDAT**  
**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT (continued)**

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

- Successful application to Condition Improvement Fund (CIF) re Kitchen refurbishment & dining room expansion
- Successful appeal to CIF re Roof refurbishment phase 1
- Focus on achieving good outcomes for money, reviewing contracts as they arise.
- Significant building works at Priory completed to time and on budget
- Residential Ofsted movement from Good to Outstanding within a year
- Increased student numbers responding to local authority demand and parental preference
- Internal audit consistently grading outstanding
- 100% of student leavers successfully transferred to post 16 provision
- Student progress meets or exceeds expectation in the vast majority of cases
- New system of annual reviews since employment of Admission and Review Officer received well by parents, students and staff alike. Monitoring of EHCPs is key to successful outcomes ensuring we are meeting each student need and encouraging them to meet their potential
- Benchmarking special schools are complex as the provisions are so often unique in their student population and the services they provide. Together with another trust a bespoke report was commissioned attempting to match data with other similar schools. Directors consider the ratios of staff costs to income are broadly similar to other schools of a similar make up and nature.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in SENDAT for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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**SENDAT**  
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**GOVERNANCE STATEMENT (continued)**

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**THE RISK AND CONTROL FRAMEWORK**

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

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

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

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of petty cash systems
- testing of financial process
- review of governance

Twice a year the internal auditor (Schools' Choice) reports to the board of directors through the Resources committee on the operation of the systems of control and on the discharge of the board of directors' financial responsibilities. The appointed Responsible Officer (RO) director presents the reports on a termly basis to the board of directors. The reports include action points identifying any areas for improvement. Internal audit delivered their schedule of work over two terms. There were no material control issues arising from the internal auditors work.

**REVIEW OF EFFECTIVENESS**

As Accounting Officer, the CEO / Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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**SENDAT**  
(A company limited by guarantee)

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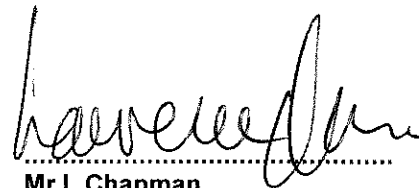
**GOVERNANCE STATEMENT (continued)**

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

Approved by order of the members of the board of trustees on 12 December 2018 and signed on their behalf, by:

  
.....  
**Mr N Kellett**  
Chair of Trustees

  
.....  
**Mr L Chapman**  
Accounting Officer

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**SENDAT**  
(A company limited by guarantee)

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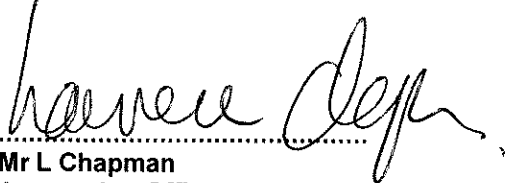
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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



**Mr L Chapman**  
**Accounting Officer**

Date: 12 December 2018

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**SENDAT**  
**(A company limited by guarantee)**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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

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

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

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

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

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

Approved by order of the members of the board of trustees on 12 December 2018 and signed on its behalf by:



.....  
**Mr N Kellett**  
**Chair of Trustees**

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**SENDAT**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
SENDAT**

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**OPINION**

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

In our opinion the financial statements:

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

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**OTHER INFORMATION**

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

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**SENDAT**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
SENDAT**

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

**RESPONSIBILITIES OF TRUSTEES**

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

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



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**SENDAT**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
SENDAT**

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**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

**USE OF OUR REPORT**

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



Frank Shippam BSc FCA DChA (Senior statutory auditor)

for and on behalf of

**MA Partners LLP**

7 The Close  
Norwich  
Norfolk  
NR1 4DJ  
13 December 2018

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**SENDAT**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SENDAT  
AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 26 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by SENDAT during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to SENDAT and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to SENDAT 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 SENDAT and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF SENDAT'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of SENDAT's funding agreement with the Secretary of State for Education dated 1 September 2011, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

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

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

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

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

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**SENDAT**  
(A company limited by guarantee)

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

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Our procedures included, but were not limited to, the following:

- Reviewing the processes for identifying and declaring business interests, related parties and transactions with connected parties;
- Reviewing minutes of meetings and making enquiries of Trustees and management;
- Performing an evaluation of the general control environment;
- Sample testing of expenditure to ensure the Trust's lines of delegation and procurement policies have been adhered to, that employees have not personally benefitted from any transaction and that goods and services have been procured in an open and transparent manner;
- Sample testing of restricted income to ensure it has been spent as the purposes intended;
- Reviewing transactions which may not fall within the delegated authority of the Trust and ensuring any such transactions have been authorised and disclosed as necessary;
- Reviewing compliance with *Annex C: Schedule of requirements (the "musts")* of the Academies Financial Handbook 2017.

Where applicable, this work was integrated with our audit on the financial statements to the extent evidence from the conduct of the audit supports the regularity conclusion.

**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 year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*MA Partners LLP*

**MA Partners LLP**

7 The Close  
Norwich  
Norfolk  
NR1 4DJ

13 December 2018

**SENDAT**  
(A company limited by guarantee)

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	As restated Total funds 2017 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	13,834	-	359,969	373,803	141,915
Charitable activities	3	22,538	3,575,178	-	3,597,716	3,498,322
Other trading activities	4	207,342	-	-	207,342	201,190
Investments	5	431	-	-	431	324
<b>TOTAL INCOME</b>		<b>244,145</b>	<b>3,575,178</b>	<b>359,969</b>	<b>4,179,292</b>	<b>3,841,751</b>
<b>EXPENDITURE ON:</b>						
Raising funds		-	6,466	-	6,466	5,781
Charitable activities		200,798	3,339,658	159,547	3,700,003	3,646,697
<b>TOTAL EXPENDITURE</b>	8	<b>200,798</b>	<b>3,346,124</b>	<b>159,547</b>	<b>3,706,469</b>	<b>3,652,478</b>
<b>NET INCOME BEFORE TRANSFERS</b>		<b>43,347</b>	<b>229,054</b>	<b>200,422</b>	<b>472,823</b>	<b>189,273</b>
Transfers between Funds	21	(117,073)	(53,009)	170,082	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>(73,726)</b>	<b>176,045</b>	<b>370,504</b>	<b>472,823</b>	<b>189,273</b>
Actuarial gains on defined benefit pension schemes	26	-	318,000	-	318,000	1,086,000
<b>NET MOVEMENT IN FUNDS</b>		<b>(73,726)</b>	<b>494,045</b>	<b>370,504</b>	<b>790,823</b>	<b>1,275,273</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		391,117	(634,489)	5,691,947	5,448,575	4,173,302
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>317,391</b>	<b>(140,444)</b>	<b>6,062,451</b>	<b>6,239,398</b>	<b>5,448,575</b>

**SENDAT**  
(A company limited by guarantee)  
REGISTERED NUMBER: 07729941

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	As restated 2017 £
<b>FIXED ASSETS</b>				
Intangible assets	15		<b>6,605</b>	13,322
Tangible assets	16		<b>6,051,076</b>	5,650,566
			<b>6,057,681</b>	5,663,888
<b>CURRENT ASSETS</b>				
Stocks	17	<b>1,932</b>		3,495
Debtors	18	<b>274,132</b>		93,138
Cash at bank and in hand		<b>1,096,475</b>		720,196
		<b>1,372,539</b>		816,829
<b>CREDITORS:</b> amounts falling due within one year	19	<b>(470,822)</b>		(168,142)
<b>NET CURRENT ASSETS</b>			<b>901,717</b>	648,687
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>6,959,398</b>	6,312,575
Defined benefit pension scheme liability	26		<b>(720,000)</b>	(864,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<b>6,239,398</b>	5,448,575
<b>FUNDS OF THE ACADEMY</b>				
Restricted income funds:				
Restricted income funds	21	<b>579,556</b>		229,511
Restricted fixed asset funds	21	<b>6,062,451</b>		5,691,947
Restricted income funds excluding pension liability		<b>6,642,007</b>		5,921,458
Pension reserve		<b>(720,000)</b>		(864,000)
Total restricted income funds			<b>5,922,007</b>	5,057,458
Unrestricted income funds	21		<b>317,391</b>	391,117
<b>TOTAL FUNDS</b>			<b>6,239,398</b>	5,448,575

The financial statements on pages 26 to 56 were approved by the Trustees, and authorised for issue, on 12 December 2018 and are signed on their behalf, by:

  
.....  
**Mr N Kellett**  
Chair of Trustees

**SENDAT**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	<i>As restated</i> 2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	23	<b>405,651</b>	436,413
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		431	324
Purchase of intangible fixed assets		-	(970)
Purchase of tangible fixed assets		<b>(252,292)</b>	(424,355)
Capital grants from DfE Group		<b>187,496</b>	13,817
Capital funding received from sponsors and others		<b>35,014</b>	-
<b>Net cash used in investing activities</b>		<b>(29,351)</b>	(411,184)
Finance costs		<b>(21)</b>	(483)
<b>Net cash used in financing activities</b>		<b>(21)</b>	(483)
<b>Change in cash and cash equivalents in the year</b>		<b>376,279</b>	24,746
Cash and cash equivalents brought forward		<b>720,196</b>	695,450
<b>Cash and cash equivalents carried forward</b>	24	<b>1,096,475</b>	720,196

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**SENDAT**  
**(A company limited by guarantee)**

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

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

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

SENDAT constitutes a public benefit entity as defined by FRS 102.

**1.2 Company status**

The Academy Trust is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the Academy Trust being wound up, the liability in respect of the guarantee is limited to £10 per member of the Academy Trust.

**1.3 Fund accounting**

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

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

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

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

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**SENDAT**  
**(A company limited by guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Income**

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

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

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

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

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

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

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



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

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**1. ACCOUNTING POLICIES (continued)**

**1.5 Expenditure**

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

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

All expenditure is inclusive of irrecoverable VAT.

**1.6 Termination payments**

Termination payments are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Academy Trust recognises termination payments when it is demonstrably committed to either (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or (ii) providing termination payments as a result of an offer made to encourage voluntary redundancy.

**1.7 Going concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.8 Intangible fixed assets and amortisation**

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.9 Tangible fixed assets and depreciation**

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

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

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

Leasehold property	-	2% straight line
Leasehold Land	-	125 years straight line
Furniture and equipment	-	20% straight line
Motor vehicles	-	20% straight line
Computer equipment and software	-	33% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

The academy is party to a lease agreement with Suffolk County Council for the school property at Priory School. The lease is for a period of 125 years from 1 September 2011 and substantially all the risks and rewards of ownership were transferred to the academy for £nil rental. As such, the school property was recognised as a fixed asset in the financial statements for the period ended 31 August 2012 at a depreciated replacement cost of £5,355,000 (the corresponding entry was recognised as voluntary income). The depreciated replacement cost was based upon a desktop valuation carried out by Lambert Smith Hampton on behalf of the EFA.

**1.10 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the Bank.

**1.11 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.12 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.13 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.14 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.15 Liabilities and provisions**

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

**1.16 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 18. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.17 Taxation**

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

**1.18 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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

**1.19 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

In assessing the carrying value of tangible fixed assets the Trustees estimate the anticipated useful lives and residual values of the assets. There have been no significant revisions to these estimations in the current financial year.

The fair value of land and buildings transferred to the Trust on conversion has been based upon the information from Suffolk County Council.

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	13,834	-	13,834	8,098
Capital Grants	-	359,969	359,969	133,817
	<b>13,834</b>	<b>359,969</b>	<b>373,803</b>	<b>141,915</b>
<i>Total 2017</i>	<i>8,098</i>	<i>133,817</i>	<i>141,915</i>	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	1,403,865	1,403,865	1,315,733
Pupil Premium	-	67,135	67,135	66,486
Other DfE grants	-	53,630	53,630	16,730
Bursary funding	-	19,951	19,951	15,151
	-	1,544,581	1,544,581	1,414,100
<b>Other government grants</b>				
Outreach funding	-	265,000	265,000	265,000
Other government grants	-	-	-	62,000
High needs funding	400	1,180,621	1,181,021	1,345,004
Additional LA 6th form funding	-	110,000	110,000	110,000
Additional LA Student Base Funding	-	276,666	276,666	100,000
Mount Road Place Funding	-	141,000	141,000	141,000
	400	1,973,287	1,973,687	2,023,004
<b>Other income from the academy trust's educational operations</b>				
Catering income	22,138	-	22,138	14,841
Academy trips	-	48,035	48,035	46,377
Other grants	-	9,275	9,275	-
	22,138	57,310	79,448	61,218
	22,538	3,575,178	3,597,716	3,498,322
<b>Total 2017</b>	16,841	3,481,481	3,498,322	

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

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	18,539	-	18,539	12,464
Items sold	6,304	-	6,304	5,279
Other activities	182,499	-	182,499	183,447
	<u>207,342</u>	<u>-</u>	<u>207,342</u>	<u>201,190</u>
<i>Total 2017</i>	<u>201,190</u>	<u>-</u>	<u>201,190</u>	

**5. INVESTMENT INCOME**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	431	-	431	324
	<u>431</u>	<u>-</u>	<u>431</u>	<u>324</u>
<i>Total 2017</i>	<u>322</u>	<u>2</u>	<u>324</u>	

**6. DIRECT COSTS**

	Total 2018 £	As restated Total 2017 £
Pension income	23,000	37,000
Teaching resources	68,951	58,247
Staff recruitment and development	28,801	28,742
Examination fees	5,765	5,185
Educational visits	43,946	42,839
Educational professional fees	111,149	147,824
Agency supply staff	7,337	-
Wages and salaries	1,787,726	1,742,333
National insurance	156,245	150,313
Pension cost	497,522	439,045
Depreciation & amortisation	159,546	342,506
	<u>2,889,988</u>	<u>2,994,034</u>
<i>Total 2017</i>	<u>2,994,034</u>	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**7. SUPPORT COSTS**

	<b>Total 2018 £</b>	<i>Total 2017 £</i>
Technology costs	19,813	10,407
Rent, rates and utilities	111,824	106,813
Maintenance of property and equipment	56,099	47,487
Cleaning	13,821	17,208
Admin costs	13,336	15,132
Insurance costs	16,799	7,132
Catering costs	66,677	44,411
Minibus costs	5,854	13,772
Legal and professional fees	45,438	34,716
Auditors fees - non audit costs	800	1,015
Auditors fees - audit costs	10,265	11,295
Wages and salaries	341,633	259,087
National insurance	23,759	18,097
Pension cost	83,897	66,091
	<u>810,015</u>	<u>652,663</u>
<i>Total 2017</i>	<u>652,663</u>	

Included within legal and professional fees is £10,817 which relates to the clawback of unspent conversion grants following the unsuccessful conversion of First Base Bury St Edmunds into the Trust.

**8. EXPENDITURE**

	<b>Staff costs 2018 £</b>	<b>Premises 2018 £</b>	<b>Other costs 2018 £</b>	<b>Total 2018 £</b>	<i>As restated Total 2017 £</i>
Expenditure on raising voluntary income					
Direct costs	-	-	6,466	6,466	5,781
Support costs	-	-	-	-	-
Activities:					
Direct costs	2,448,830	105,280	335,878	2,889,988	2,945,554
Support costs	449,290	181,744	178,981	810,015	689,663
	<u>2,898,120</u>	<u>287,024</u>	<u>521,325</u>	<u>3,706,469</u>	<u>3,640,998</u>
<i>Total 2017</i>	<u>2,674,965</u>	<u>174,067</u>	<u>791,966</u>	<u>3,640,998</u>	



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

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**9. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the charity	<b>152,829</b>	<b>146,704</b>
Amortisation of intangible fixed assets	<b>6,717</b>	<b>6,884</b>
Auditors' remuneration - audit	<b>10,265</b>	<b>11,295</b>
Auditors' remuneration - other services	<b>800</b>	<b>1,015</b>
Operating lease rentals	<b>65,124</b>	<b>64,687</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**10. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	2,121,059	2,001,420
Social security costs	180,004	168,410
Operating costs of defined benefit pension schemes	581,420	505,135
	<u>2,882,483</u>	<u>2,674,965</u>
Agency staff costs	7,337	-
Staff restructuring costs	8,300	-
	<u>2,898,120</u>	<u>2,674,965</u>

Staff restructuring costs comprise:

	2018 £	2017 £
Severance payments	8,300	-
	<u>8,300</u>	<u>-</u>

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

Included in staff restructuring costs is a non-statutory / non-contractual severance payment totalling £8,300 (made on 21 February 2018) (2017 - £nil).

**c. Staff numbers**

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

	2018 No.	2017 No.
Teachers	28	28
Administration and support	68	61
Management	5	5
	<u>101</u>	<u>94</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. STAFF COSTS (continued)**

**d. Higher paid staff**

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

	<b>2018</b>	<i>2017</i>
	<b>No.</b>	<i>No.</i>
In the band £60,001 - £70,000	<b>1</b>	<i>1</i>
In the band £80,001 - £90,000	<b>1</b>	<i>1</i>

**e. Key management personnel**

The key management personnel of the academy trust comprise the trustees and senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services was **£359,782** (2017 - £292,393).

**11. CENTRAL SERVICES**

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

- Financial Services
- Human Resources
- Operations and Estate Management
- Procurement
- Health & Safety
- Media Communications
- Projects and Funding
- Governance and Quality Assurance Inspections
- Data and Performance
- Teaching and Learning

The Academy Trust charges for these services on the following basis:

A flat percentage of budgeted student generated income (excluding pupil premium) (7%).

The actual amounts charged during the year were as follows:

	<b>2018</b>	<i>2017</i>
	<b>£</b>	<i>£</i>
Priory School	<b>210,000</b>	<i>-</i>

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

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**12. TRUSTEES' REMUNERATION AND EXPENSES**

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

		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
Mr L Chapman	Remuneration	<b>85,000-90,000</b>	<i>80,000-85,000</i>
	Pension contributions paid	<b>10,000-15,000</b>	<i>10,000-15,000</i>
Mrs G Lewis	Remuneration	<b>35,000-40,000</b>	<i>35,000-40,000</i>
	Pension contributions paid	<b>5,000-10,000</b>	<i>5,000-10,000</i>

During the year ended 31 August 2018, expenses totalling £1,905 were reimbursed to two Trustees (2017 - £3,480 to 3 Trustees).

**13. TRUSTEES' AND OFFICERS' INSURANCE**

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

**14. OTHER FINANCE INCOME**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Interest income on pension scheme assets	<b>70,000</b>	<i>(37,000)</i>
Interest on pension scheme liabilities	<b>(93,000)</b>	<i>-</i>
	<b>(23,000)</b>	<i>(37,000)</i>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. INTANGIBLE FIXED ASSETS**

	Computer Software £
<b>Cost</b>	
At 1 September 2017 and 31 August 2018	<b>22,462</b>
<b>Amortisation</b>	
At 1 September 2017	9,140
Charge for the year	6,717
At 31 August 2018	<b>15,857</b>
<b>Carrying amount</b>	
At 31 August 2018	<b>6,605</b>
<i>At 31 August 2017</i>	<i>13,322</i>

**16. TANGIBLE FIXED ASSETS**

	Leasehold property £	Assets under construction £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £
<b>Cost</b>					
At 1 September 2017	6,122,256	-	73,789	36,802	32,466
Additions	6,896	513,065	21,850	2,025	-
At 31 August 2018	<b>6,129,152</b>	<b>513,065</b>	<b>95,639</b>	<b>38,827</b>	<b>32,466</b>
<b>Depreciation</b>					
At 1 September 2017 (as previously stated)	503,138	-	18,590	24,615	30,649
Prior year adjustment	68,880	-	-	-	-
At 1 September 2017 (as restated)	572,018	-	18,590	24,615	30,649
Charge for the year	105,280	-	19,128	6,187	1,817
At 31 August 2018	<b>677,298</b>	<b>-</b>	<b>37,718</b>	<b>30,802</b>	<b>32,466</b>
<b>Net book value</b>					
At 31 August 2018	<b>5,451,854</b>	<b>513,065</b>	<b>57,921</b>	<b>8,025</b>	<b>-</b>
<i>At 31 August 2017 (as restated)</i>	<i>5,550,238</i>	<i>-</i>	<i>55,199</i>	<i>12,187</i>	<i>1,817</i>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. TANGIBLE FIXED ASSETS (continued)**

	Computer equipment £	Total £
<b>Cost</b>		
At 1 September 2017	108,691	6,374,004
Additions	9,505	553,341
At 31 August 2018	<u>118,196</u>	<u>6,927,345</u>
<b>Depreciation</b>		
At 1 September 2017 (as previously stated)	77,566	654,558
Prior year adjustment	-	68,880
At 1 September 2017 (as restated)	77,566	723,438
Charge for the year	20,419	152,831
At 31 August 2018	<u>97,985</u>	<u>876,269</u>
<b>Net book value</b>		
At 31 August 2018	<u>20,211</u>	<u>6,051,076</u>
<i>At 31 August 2017 (as restated)</i>	<u>31,125</u>	<u>5,650,566</u>

**17. STOCKS**

	2018 £	2017 £
Finished goods and goods for resale	<u>1,932</u>	<u>3,495</u>

**18. DEBTORS**

	2018 £	2017 £
Trade debtors	141,852	14,632
Other debtors	77,165	38,880
Prepayments and accrued income	55,115	39,626
	<u>274,132</u>	<u>93,138</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. CREDITORS: Amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>274,506</b>	27,955
Other taxation and social security	<b>45,012</b>	40,736
Other creditors	<b>49,841</b>	55,207
Accruals and deferred income	<b>101,463</b>	44,244
	<b>470,822</b>	168,142
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Deferred income</b>		
Deferred income at 1 September 2017	<b>5,270</b>	343,324
Resources deferred during the year	<b>5,272</b>	5,270
Amounts released from previous years	<b>(5,270)</b>	(343,324)
Deferred income at 31 August 2018	<b>5,272</b>	5,270

At the balance sheet date the academy trust was holding trip and dinner money of £5,272 received in advance of the autumn term 2018.

**20. PRIOR YEAR ADJUSTMENT**

The leasehold land at Priory School were not previously depreciated. A prior year adjustment has been made to recognise the depreciation on leasehold land. The net effect of the prior year adjustment is to decrease the opening net book value and the restricted fixed asset fund brought forward by £68,880.

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

**21. STATEMENT OF FUNDS**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds - all funds	391,117	244,145	(200,798)	(117,073)	-	317,391
<b>Restricted funds</b>						
General Annual Grant (GAG)	6,056	1,404,616	(1,030,255)	(338,173)	-	42,244
Central services	-	-	(209,488)	210,000	-	512
Pupil Premium	-	67,135	(67,135)	-	-	-
Year 7 Catch Up Pupil Premium	-	11,900	(11,900)	-	-	-
PE and Sports grant	-	16,330	(16,330)	-	-	-
Outreach funding	109,768	265,000	(254,943)	-	-	119,825
Other DfE Grants	7,306	-	(7,306)	-	-	-
Local Authority SEN funding	231,229	1,688,830	(1,236,844)	(269,465)	-	413,750
Angel Hill College	(117,073)	-	-	117,073	-	-
Trip income	-	48,035	(48,035)	-	-	-
Conversion grant	-	25,000	(25,000)	-	-	-
Other restricted funds	(7,775)	48,332	(35,888)	(1,444)	-	3,225
Pension reserve	(864,000)	-	(403,000)	229,000	318,000	(720,000)
	<b>(634,489)</b>	<b>3,575,178</b>	<b>(3,346,124)</b>	<b>(53,009)</b>	<b>318,000</b>	<b>(140,444)</b>



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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. STATEMENT OF FUNDS (continued)**

**Restricted fixed asset funds**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Assets purchased from Local Authority SEN funding	437,956	-	(48,576)	51,634	-	441,014
Assets transferred on conversion	4,815,720	-	(89,880)	-	-	4,725,840
Assets purchased from GAG	16,192	-	(6,885)	109,173	-	118,480
Assets purchased from unrestricted funds	20,994	-	(3,576)	-	-	17,418
Assets purchased from other restricted funding	1,856	-	(718)	9,275	-	10,413
Other capital grants	377,179	35,015	(9,912)	-	-	402,282
Devolved Formula Capital	22,050	8,961	-	-	-	31,011
Local authority capital grant	-	137,461	-	-	-	137,461
CIF Fund	-	59,714	-	-	-	59,714
Healthy Pupil Capital Fund	-	118,818	-	-	-	118,818
	<b>5,691,947</b>	<b>359,969</b>	<b>(159,547)</b>	<b>170,082</b>	<b>-</b>	<b>6,062,451</b>
Total restricted funds	<b>5,057,458</b>	<b>3,935,147</b>	<b>(3,505,671)</b>	<b>117,073</b>	<b>318,000</b>	<b>5,922,007</b>
Total of funds	<b>5,448,575</b>	<b>4,179,292</b>	<b>(3,706,469)</b>	<b>-</b>	<b>318,000</b>	<b>6,239,398</b>

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

The General Annual Grant (GAG) is for the normal running costs of the Academy. The following transfers have been made from the GAG; £229,000 to restricted pension reserve representing the cost of employer contributions towards the Local Government Pension Scheme. £109,173 was transferred to the restricted fixed asset funds representing fixed assets purchased from GAG monies.

The Pupil Premium income has been provided by the ESFA to help raise the attainment of disadvantaged pupils.

Year 7 catch up and Sports Grants are to specifically support Math & English and Physical Education.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**21. STATEMENT OF FUNDS (continued)**

Local Authority SEN Funding / Outreach Services: The Trust receives a significant proportion of its funding direct from the Local Authority in the way of additional place and provision funding; High Tariff Needs Funding and other bespoke commissions. The grants are restricted to be expended for the delivery of free education and to support the running costs of the academy. £51,634 was transferred to the restricted fixed asset funds representing fixed assets purchased from Local Authority SEN funding monies.

Trip income refers to the income and expenditure associated with running educational visits for the Trust.

Other DfE grants are other grants received and expended for the specific purpose for which the grants were awarded.

The Conversion grant was provided to support the conversion of an alternative provision to an academy and join SENDAT. As the conversion did not take place the unspent balance of the grant was returned to the DfE.

Other restricted funds refer the other small amounts income intended for a specific purpose. £9,275 was transferred to the restricted fixed asset funds representing fixed assets purchased from Local Authority SEN funding monies. £7,830 has been transferred into this fund to clear the deficit brought forward.

The Pension reserve deficit at the period end was £720,000 and represents the Trust's share of the deficit of the Local Government Pension Scheme.

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

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2018 were allocated as follows:

	<b>Total 2018 £</b>	<i>Total 2017 £</i>
Priory School	<b>776,610</b>	620,628
Trust	<b>120,337</b>	-
Total before fixed asset fund and pension reserve	<b>896,947</b>	620,628
Restricted fixed asset fund	<b>6,062,451</b>	5,691,947
Pension reserve	<b>(720,000)</b>	(864,000)
Total	<b>6,239,398</b>	5,448,575

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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. STATEMENT OF FUNDS (continued)**

**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 depreciat- ion £	Total 2018 £	Total 2017 £
Priory School	1,700,800	331,612	57,103	356,649	2,446,164	592,802
Trust	748,030	117,678	11,848	223,200	1,100,756	2,906,091
	<u>2,448,830</u>	<u>449,290</u>	<u>68,951</u>	<u>579,849</u>	<u>3,546,920</u>	<u>3,498,893</u>

In 2017 all staff costs were charged against the Trust. In 2018 staff costs have been apportioned between the Trust and Priory School.

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Designated funds	118,289	272,828	-	-	-	391,117
<b>Restricted funds</b>						
General Annual Grant (GAG)	6,555	1,315,733	(1,316,232)	-	-	6,056
Pupil Premium	9,807	66,486	(76,293)	-	-	-
Year 7 Catch Up Pupil Premium	-	8,575	(8,575)	-	-	-
PE and Sports grant	5,064	8,155	(13,219)	-	-	-
Outreach funding	-	265,000	(155,232)	-	-	109,768
Other DfE Grants	-	60,000	(52,694)	-	-	7,306
Local Authority SEN funding	150,054	1,555,006	(1,208,204)	(265,627)	-	231,229
Angel Hill College	10,773	-	(127,846)	-	-	(117,073)
Commissioned support	6,306	-	(6,306)	-	-	-
Other restricted funds	96	15,151	(22,981)	(41)	-	(7,775)
Pension reserve	(1,809,000)	-	(141,000)	-	1,086,000	(864,000)
	<u>(1,620,345)</u>	<u>3,294,106</u>	<u>(3,128,582)</u>	<u>(265,668)</u>	<u>1,086,000</u>	<u>(634,489)</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. STATEMENT OF FUNDS (continued)**

**Restricted fixed asset funds**

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
Assets purchased from Local Authority SEN funding	177,244	-	(49,124)	309,836	-	437,956
Assets transferred on conversion	4,905,600	-	(89,880)	-	-	4,815,720
Assets purchased from GAG	18,860	-	(2,668)	-	-	16,192
Assets purchased from unrestricted funds	24,900	-	(3,906)	-	-	20,994
Assets purchased from other restricted funding	-	-	(299)	2,155	-	1,856
Other capital grants	453,808	120,000	(196,629)	-	-	377,179
Devolved Formula Capital	8,233	13,817	-	-	-	22,050
	<u>5,588,645</u>	<u>133,817</u>	<u>(342,506)</u>	<u>311,991</u>	<u>-</u>	<u>5,691,947</u>
Total restricted funds	<u>3,968,300</u>	<u>3,427,923</u>	<u>(3,471,088)</u>	<u>46,323</u>	<u>1,086,000</u>	<u>5,057,458</u>
Total of funds	<u>4,086,589</u>	<u>3,700,751</u>	<u>(3,471,088)</u>	<u>46,323</u>	<u>1,086,000</u>	<u>5,448,575</u>

**22. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Restricted fixed asset funds 2018 £</b>	<b>Total funds 2018 £</b>
Intangible fixed assets	-	-	6,605	6,605
Tangible fixed assets	-	-	6,051,078	6,051,078
Current assets	332,094	737,946	302,500	1,372,540
Creditors due within one year	(14,703)	(158,390)	(297,732)	(470,825)
Provisions for liabilities and charges	-	(720,000)	-	(720,000)
	<u>317,391</u>	<u>(140,444)</u>	<u>6,062,451</u>	<u>6,239,398</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**22. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	<i>2017</i>	<i>2017</i>	<i>2017</i>	<i>2017</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Intangible fixed assets	-	-	13,322	13,322
Tangible fixed assets	-	-	5,719,446	5,650,566
Current assets	402,390	354,466	59,973	816,829
Creditors due within one year	(11,273)	(124,955)	(31,914)	(168,142)
Provisions for liabilities and charges	-	(864,000)	-	(864,000)
	<u>391,117</u>	<u>(634,489)</u>	<u>5,760,827</u>	<u>5,448,575</u>

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Net income for the year (as per Statement of Financial Activities)	<b>472,823</b>	189,273
<b>Adjustment for:</b>		
Depreciation & amortisation charges	<b>159,546</b>	153,587
Dividends, interest and rents from investments	<b>(431)</b>	(324)
Finance costs	<b>21</b>	483
Impairment of assets under construction	-	188,919
Decrease/(increase) in stocks	<b>1,563</b>	(2,507)
(Increase)/decrease in debtors	<b>(43,533)</b>	40,798
Increase/(decrease) in creditors	<b>1,631</b>	(261,000)
Capital grants from DfE and other capital income	<b>(359,969)</b>	(13,816)
Defined benefit pension scheme cost less contributions payable	<b>151,000</b>	141,000
Defined benefit pension scheme finance cost	<b>23,000</b>	-
<b>Net cash provided by operating activities</b>	<b>405,651</b>	436,413

**24. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Cash in hand	<b>1,096,475</b>	720,196
<b>Total</b>	<b>1,096,475</b>	720,196

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. CAPITAL COMMITMENTS**

At 31 August 2018 the Academy Trust had capital commitments as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Contracted for but not provided in these financial statements	<b>399,273</b>	<b>-</b>

**26. PENSION COMMITMENTS**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £49,460 were payable to the schemes at 31 August 2018 (2017 - 48,182) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**26. PENSION COMMITMENTS (continued)**

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

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

The employer's pension costs paid to TPS in the period amounted to £190,163 (2017 - £167,717).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £284,000 (2017 - £259,000), of which employer's contributions totalled £229,000 (2017 - £210,000) and employees' contributions totalled £55,000 (2017 - £49,000). The agreed contribution rates for future years are 25.2% for employers and 5.5% - 12.5% for employees.

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

**Suffolk Pension Fund**

Principal actuarial assumptions:

	<b>2018</b>	<b>2017</b>
Discount rate for scheme liabilities	<b>2.80 %</b>	2.50 %
Rate of increase in salaries	<b>2.70 %</b>	2.70 %
Rate of increase for pensions in payment / inflation	<b>2.40 %</b>	2.40 %

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**NOTES TO THE FINANCIAL STATEMENTS  
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**26. PENSION COMMITMENTS (continued)**

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

	2018	2017
Retiring today		
Males	21.9	21.9
Females	24.4	24.4
Retiring in 20 years		
Males	23.9	23.9
Females	26.4	26.4

	At 31 August 2018 £	At 31 August 2017 £
<b>Sensitivity analysis</b>		
Discount rate -0.5%	425,000	373,000
Salary rate +0.5%	56,000	59,000
Pension increase rate +0.1%	365,000	309,000

The Academy Trust's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,884,800	1,819,000
Corporate bonds	820,800	561,750
Property	304,000	267,500
Cash and other liquid assets	30,400	26,750
Total market value of assets	<u>3,040,000</u>	<u>2,675,000</u>

The actual return on scheme assets was £138,000 (2017 - £303,000).

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

	2018 £	2017 £
Current service cost	(380,000)	(314,000)
Interest income	70,000	(37,000)
Interest cost	(93,000)	-
Total	<u>(403,000)</u>	<u>(351,000)</u>



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**NOTES TO THE FINANCIAL STATEMENTS  
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**26. PENSION COMMITMENTS (continued)**

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

	2018 £	2017 £
Opening defined benefit obligation	3,539,000	3,961,000
Current service cost	380,000	314,000
Interest cost	93,000	82,000
Employee contributions	55,000	49,000
Actuarial gains	(250,000)	(828,000)
Benefits paid	(57,000)	(39,000)
	<u>3,760,000</u>	<u>3,539,000</u>
Closing defined benefit obligation	<u>3,760,000</u>	<u>3,539,000</u>

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

	2018 £	2017 £
Opening fair value of scheme assets	2,675,000	2,152,000
Interest income	70,000	45,000
Actuarial losses	68,000	258,000
Employer contributions	229,000	210,000
Employee contributions	55,000	49,000
Benefits paid	(57,000)	(39,000)
	<u>3,040,000</u>	<u>2,675,000</u>
Closing fair value of scheme assets	<u>3,040,000</u>	<u>2,675,000</u>

**27. OPERATING LEASE COMMITMENTS**

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
<b>Amounts payable:</b>		
Within 1 year	65,062	64,733
Between 1 and 5 years	251,624	252,969
After more than 5 years	213,791	257,450
	<u>530,477</u>	<u>575,152</u>
Total	<u>530,477</u>	<u>575,152</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**28. RELATED PARTY TRANSACTIONS**

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

Expenditure Related Party Transaction

During the period, SENDAT entered into transactions with West Suffolk College, an entity in which Alan Maltpress and Roger Inman, trustees, are governors. West Suffolk College provided staff training to SENDAT totalling £1,500 (2017: £nil). The charges made to the Trust were the current advertised rate for the course. In entering into the transactions the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

Income Related Party Transactions

The Friends of Priory School is a Registered Charity (1116198). The charity raises funds for the Academy to provide resources that would otherwise not be provided. The latest available financial information for the year ended 31 December 2017 showed that the charity had gross income of £5,973 and expenditure of £3,701. During the year ended 31 August 2018 donations of £3,000 were received from The Friends of Priory School. Lawrence Chapman, a trustee, is also a trustee of The Friends of Priory School.

During the period, services were provided to First Base Bury St Edmunds, an entity in which Lawrence Chapman, a trustee, was a governor. SENDAT provided educational consultancy services to First Base Bury St Edmunds totalling £10,016 (2017: £4,932). All amounts charged by the Trust were on the basis of direct cost plus indirect costs, with no element of profit. At the balance sheet date, £nil (2017: £109) was owed to SENDAT, this amount is recognised within trade debtors. In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

During the period, SENDAT entered into transactions with West Suffolk College, an entity in which Alan Maltpress and Roger Inman, trustees, are governors. SENDAT provided educational services to West Suffolk College totalling £115,855 (2017: £nil). All amounts charged by the Trust were on the basis of direct cost plus indirect costs, with no element of profit. In entering into the transactions the academy trust has complied with the requirements of the Academies Financial Handbook 2017.