

Company Registration No. 08310825 (England and Wales)

**DAYSPRING TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**



# DAYSPRING TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustees

The Venerable S Bain (Chair)  
Mr C N Williams (Vice Chair)  
Mr P Russell  
Mrs G A Booth (Executive Headteacher)  
Mr J G Farnsworth (Resigned 21 February 2017)  
Mr R P Thorndyke  
Rev D M Brooke  
Mr D M Robinson

### Members

The Rev Canon S Bamber (on behalf of the Bishop of Durham)  
The Venerable S Bain (on behalf of Durham Diocesan Education Trust)  
Mr R Thorndyke (on behalf of Durham Diocesan Board of Finance)

### Senior management team

- Head of School	Mr D Airey
- Deputy Headteacher	Mrs T Burgess (Appointed April 2017)
- Deputy Headteacher	Mr R Goodman (Appointed July 2017)
- Assistant Headteacher	Mr A Charlton (Resigned April 2017)
- Assistant Headteacher	Miss J Fox
- Assistant Headteacher	Mrs S Richardson (Appointed April 2017)
- Assistant Headteacher	Mr C Roberts
- Assistant Headteacher	Mr P William-Powlett (Resigned December 2017)
- Head of School	Mr B Janes
- Deputy Headteacher	Mrs J Cook (Appointed November 2016)
- Deputy Headteacher	Mr P Snowden
- Deputy Headteacher	Mrs J Cook
- Assistant Headteacher	Mrs M McCarthy
- Assistant Headteacher	Mr M Nicholson (Appointed April 2017)
- Assistant Headteacher	Mr J Walters

### Company secretary

L O'Leary

### Company registration number

08310825 (England and Wales)

### Registered office

Tunstall Bank  
Sunderland  
SR2 0SX

### Academies operated

The Venerable Bede Church of England Academy

### Location

Sunderland

### Principal

Mrs G Booth

Ian Ramsey Church of England Academy

Stockton on Tees

Mrs G Booth

### Independent auditor

Baldwins Audit Services Limited  
Wynyard Park House  
Wynyard Avenue  
Wynyard  
TS22 5TB



# DAYSPRING TRUST

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# DAYSPRING TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Independent auditor</b>	Baldwins Audit Services Limited Wynyard Park House Wynyard Avenue Wynyard TS22 5TB
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<b>Bankers</b>	Natwest Sunderland City Branch 52 Fawcett Street Sunderland SR1 1SB
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<b>Solicitors</b>	Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF
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# **DAYSRING TRUST**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2017**

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The Trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2016 to 31 August 2017.

Dayspring Trust operates two secondary academies for pupils aged 11 to 16 serving the local communities of Sunderland South and Stockton-On-Tees area. Venerable Bede CE Academy has a pupil capacity of 900 and had a roll of 803 at the time of the school census collection in Autumn 2017. Ian Ramsey CE Academy has a pupil capacity of 1185 and had a roll of 1168 at the time of the school census collection in Autumn 2017. The annual report serves the purpose of both a Trustees' report and a Directors' report under company law.

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

##### Constitution

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

Details of the Trustees who served throughout the period except as noted are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Trustees' indemnities

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

#### **Appointment of the Board of Directors**

The Members of the Dayspring Trust appointed its Board of Directors under article 50 of the articles of association to include:

1 Member

Executive Headteacher

3 representatives from Venerable Bede CE Academy, one of whom serves as Chair to Venerable Bede Academy Council.

3 representatives from Ian Ramsey Academy, one of whom serves as Chair to Ian Ramsey Academy Council.

Directors serve a 4 year term of office, with the exception of the Executive Headteacher.



# DAYSPRING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### Method of recruitment and appointment or election of trustees

Members of the Academy Council are appointed by the Directors and reference is made to the Governor Selection Policy to ensure fair selection and appointment.

Each Academy Council has up to 12 members comprising:

- Up to 3 Directors
- 2 elected staff members of the respective Academy
- 2 elected parents/guardians of registered pupils in the academy
- Head of School
- Up to 4 Academy Council members who have the appropriate skills, expertise and experience to contribute to the work of the Academy Council in achieving and sustaining the Academy's objectives.

The term of office for members of the Academy Council is 4 years. The Chairperson of the Academy Council is appointed by the Directors and the Vice-Chairperson by the Academy Council.

The Chairperson of the Academy Council informs the Directors of all appointments and resignations relating to the membership of the Academy Council. Resignation, disqualification and removal of members of the Academy Council is dealt with within article 80 of the articles of association of the Trust.

The Dayspring Trust looks to recruit individuals with a mix of skills and selects Directors and Academy Council members on the basis of background, experience, specialist skills and support for the school ethos.

#### Policies and procedures adopted for the induction and training of trustees

Induction for new Directors or members of the Academy Council is provided by the Trust Board both in-house and via the relevant Local Authority and depends upon their existing experience. Training is also provided in a similar way. New Trustees are given a tour of the relevant Academy and introduced to staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other relevant documents that they will need to undertake their role as trustees. The Trust subscribed to the Sunderland Local Authority Governor Training and Development Programme for the period 1 September 2016 to 31 August 2017 which provided unlimited access to both face to face training sessions and on-line training.

#### Organisational structure

The management team operates on four levels: Members, the Board of Directors, two Academy Councils (one based at each Academy) and the Senior Leadership Team at each Academy. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Board of Directors have overall responsibility and ultimate decision-making authority for all the work of the Trust, including the establishment and running of the academies. This is achieved through strategic and business planning, setting of policy, monitoring of budgets, performance management, the setting of standards and targets and the implementation of quality management processes. The Directors have the power to direct change where required.

There is a scheme of delegation for governance that explains:

- The way in which the Directors fulfil their responsibilities for the leadership and management of the academies within the Trust.
- The commitment and relationship between the different governance strands to secure the success of the academies within the Trust.



# DAYSPRING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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The Executive Headteacher is the Accounting Officer for the Trust and is responsible for the regularity, propriety and value for money of the Trust's spending decisions. She also sets the standards for financial management and strong governance which lead to good financial health, which is essential to delivering an educational system which maximises the potential of our young people.

Both academies have a Head of School who reports to the Executive Headteacher. The Head of School is accountable overall to the MAT Board and the Executive Head Teacher for ensuring the educational success of the academy for which they are responsible within the overall framework of the MAT strategic plan, as well as the individual academy's development plan. They are responsible for providing strategic and professional leadership alongside good management within the academy. Their role is to create a culture of constant improvement and to be inspirational leaders, committed to the highest achievement for all in all areas of the academy's work.

The Heads of School are responsible for the authorisation of spending within agreed budgets and the appointment of staff up to senior level. Interview panels for the majority of staff include a Trustee or member of the Academy Council who is familiar with recruitment processes. All interview panels include a staff member or appointed member of the relevant Academy Council who has completed 'safer recruitment' training.

Deputy Headteachers and Assistant Headteachers operate at an executive level, implementing the policies laid down by the Trustees and reporting back to them.

Academy Councils support the work of both academies by providing challenge and by being a critical friend in operational matters. Working groups (made up of Academy Council members) meet on a regular basis to consider different areas: safeguarding; pupil behaviour, attendance and discipline; Christian ethos and British Values; teaching and learning.

The specific duties of the Academy Council include:

- To receive and challenge the Head of School's termly report
- To receive, monitor and challenge the following Academy Council's working party reports from the appointed members at least once a term:
  - Quality of Teaching, Learning and Assessment working party
  - Personal Development, Behaviour and Welfare working parties
  - SIAMS and British Values
  - Behaviour and Attendance
  - Safeguarding
  - Premises
  - Health and Safety
  - Outcomes

The scheme of delegation which outlines the financial authorisation levels for such matters as the requisition of goods and services, payment of invoices, is in place and reviewed on a regular basis, not less than annually. Terms of Reference outlining the financial authorisation levels for such matters as the requisition of goods and services, payment of invoices, is in place reviewed on a regular basis, not less than annually.

#### Arrangements for setting pay and remuneration of key management personnel

A robust system of staff appraisal is embedded within each academy and all staff including senior leaders meet with their Line Manager to agree and set objectives for the year ahead. This is undertaken and the appraisal process is fully completed by 31 October each academic year with the exception of the Executive Headteacher, whose appraisal process has a completion date of December each year. During the course of the year, each member of staff is offered an interim appraisal meeting followed by a final appraisal meeting. Teaching staff performance is measured and recorded each year to inform annual pay progression.

The Pay Committee meets each year to consider the pay and remuneration of all teaching staff including the Senior Leadership Team, assisted by the Executive Headteacher. All decisions made by this committee are submitted to the Trust Board for ratification. An external review of the Executive Headteacher performance is undertaken and reported to the Trust Board for ratification.



# DAYSPRING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### Related parties and other connected charities and organisations

Trustees have declared no business interests to date and, where any Trustee should declare an interest, procedures are in place to address this. The Trust has adopted a policy in that where any interests are declared, the Trustee would not be involved in any decision-making process.

One of the academies within the Trust – Venerable Bede CE Academy - continues to be a strategic partner of a Teaching School Alliance, 'The Prince Bishops Teaching School Alliance'. This is a partnership of five schools: The Venerable Bede CE Academy, three Church of England Primary Schools and a CE Secondary Academy.

Related parties at the academy are the joint Dioceses of Durham and Newcastle and the Deaneries of Stockton and Wearmouth.

#### **Objectives and activities**

##### Objects and aims

The Dayspring Trust's objective is specifically restricted to the following:- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship and in having regard to the advice of the Diocesan Board of Education.

#### **Objects and Aims**

The Dayspring Trust aims to serve its community by providing an education of the highest quality within the context of Christian faith and practice. It encourages an understanding of the meaning and significance of faith, and promotes Christian values through the experience it offers to all its pupils. We believe that our Christian values spring from the two great commandments, 'Love God and love your neighbour'. We seek to live this out through the power of the Holy Spirit. St Paul reminds us in Galatians 5.22-23 that the fruit of the Spirit is "Love, joy, peace, patience, kindness, goodness, faithfulness, gentleness and self-control". These are also underpinned by the Old Testament injunction to "Do justly, love mercy and walk humbly with our God" Micah 6.8. These values rooted in the Christian Faith come as a package and we aim to embed them in the life of our academies in a worked out way. We recognise that at times we may highlight particular values to bring them into greater prominence within our academies and these are currently the five values of Forgiveness, Hope, Joy, Perseverance and Wisdom. We believe these values to be in accordance with British values springing from our Judeo-Christian roots. Collective worship will play a major and vital part in assisting with this process of embedding these values in the life our academies.

The Multi Academy Trust Members and Directors are aware of their responsibilities in law and are committed to the provision of an excellent education within its academies in accordance with our Anglican foundation. This is embraced in our Dayspring Trust vision statement:

- Forge a supportive and challenging family of academies
- Provide excellent education within a strong Christian community
- Resource our pupils for wise and generous living

In addition, each academy also has its own distinctive mission statement, flowing out from the vision statement of the Dayspring Trust.

At Ian Ramsey CE Academy:

"Together to learn, to grow, to serve."

This is embodied in scripture:

'Each of you should use whatever gifts you have received to serve others, as faithful stewards of God's grace in various forms.' 1. Peter 4.10



# **DAYSPRING TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **At Venerable Bede CE Academy:**

"Soar to the heights together"

This is embodied in scripture:

'But those who hope in the lord will renew their strength. They will soar on wings like eagles; they will run and not grow weary, they will walk and not be faint'. Isaiah 40:31

Our mission together is to bring a first class education and a breadth of opportunity to all of our pupils in light of the Christian Gospel. We also hope that these opportunities benefit the wider community, whether locally, nationally or internationally, such as in the links from both academies to Lesotho.

We live by our values every day, and follow a calendar based on the Christian Gospel.

At the heart of everything is inclusivity. We are committed to being inclusive and serve equally those who are of the Christian faith, those of other faiths and those with no faith. We seek to give opportunities that educate, encourage participation and increase the aspirations of our young people, but also seek the same opportunities for all of our staff, regardless of their role within the trust. Everyone is valued for the role they play and we see opportunities for professional development as pivotal to this vision. Working with young people is a vocation and we are here to serve our community. Being true to our Christian values and keeping the well-being of our students at the heart of all decision-making are the keys to success.

We do pride ourselves on being inclusive, neighbourhood schools and hope to inspire in our pupils a love of learning that will stay with them long after they reach the school leaving age. We believe in encouraging each pupil to have high self-esteem and to realise that, by believing in themselves and through hard work, they can reach their true potential as children of God. We also believe firmly in Pupil Voice; by listening to our young people, we can improve their education and the opportunities that we can offer.

We take a strong stance against bullying and passionately believe that every child has the right to feel safe and nurtured whilst in our care. It is important that we model tolerance at every opportunity so that our young people leave us at 16 with the skills and moral purpose to make a difference to their communities.

In addition to this, our fundamental British values underpin all of our daily actions:

- Democracy
- The Rule of Law
- Individual Liberty
- Mutual respect and tolerance of those with different faiths and beliefs and for those without faith

Each Academy within the Trust retains its own distinctiveness and academy motto:

#### **Venerable Bede CE Academy**

'To create a stimulating, secure and caring environment within which all members of our school community will realise their potential in the light of the Christian Gospel.

This is embodied in the school motto, "Soar to the Heights Together".

#### **Ian Ramsey CE Academy**

Together to learn, to grow, to serve.

This is embodied in the words: "Each of you should use whatever gifts you have received to serve others, as faithful stewards of God's grace in its various forms." (1 Peter 4:10)



# DAYSPRING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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We also share five common Christian Values across the Trust:

- Joy
- Hope
- Forgiveness
- Wisdom
- Perseverance

#### Objectives, Strategies and Activities

#### **Venerable Bede strategic priorities for the period 1 September 2016 – 31 August 2017 were:**

- Ensure that all pupils make rapid progress in line with National Expectations, particularly in English, Maths and Science
- Close the attainment gap between disadvantaged pupils and other pupils in the school across all years
- Ensure that staff plan sequences of lessons which take into account the individual starting points of learners, paying particular attention to transition at KS3 and KS4
- Ensure that all teachers plan individual lessons which have sufficient pace to maximise pupil learning and progress throughout the whole lesson
- Ensure that all pupils show a thirst for learning, paying particular attention to the progress of disadvantaged pupils and the most able.

#### **Venerable Bede strategic priorities for the period 1 September 2016 – 31 August 2017 were:**

- Senior and middle leaders must maintain regular checks on the performance of the English, Maths and Science departments
- Ensure that marking is consistent across all departments, and maintains a focus on what pupils must do to make progress in the subject
- Further improve attendance, especially the attendance of disadvantaged pupils
- Enrich careers guidance so that all pupils are inspired and motivated to achieve their full potential especially those with lower aspirations
- Effective analysis of 2016 results to inform action planning.
- Ensure Year 9 Option Choices guide pupils to make the appropriate choice for this future
- As the lead Academy, establish and implement Trust policies and procedures to ensure capacity for growth.
- Ensure that all pupils are safe, particularly with regard to the PREVENT Agenda and online safety.
- Develop and strengthen links as a partner in the Prince Bishops Teaching Alliance in order to improve the quality of teaching.
- To extend Religious Education provision even further by developing the school as a regional centre of excellence for the subject.
- To develop the school Hall and courtyard as areas for spiritual reflection and worship.
- To re-structure Senior Leadership team to strengthen capacity.

#### **Ian Ramsey strategic priorities for the period 1 September 2016 – 31 August 2017 were:**

- Christian Ethos: To respond to the areas of improvement in the 2016 SIAMS inspection report, to provide outstanding provision for our young people.
- Continue the relentless pursuit of eradicating remaining inconsistencies in teaching in order to improve outcomes for all students.
- Systematically analyse feedback about worship to provide more tangible evidence about the impact of provision, innovation and evolving practice.
- Combine the SIAMS evaluation statements and evidence about the impact of Christian values on raising achievement with overall performance data, so that the Christian character and effectiveness of the Academy are benchmarked equally
- To improve progress in English Language.
- To close the gaps against national averages.
- To review all premises related procedures in the light of the new building and potential expansion.



# DAYSPRING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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- To develop and strengthen leadership at senior leadership and middle leadership levels.
- To further review the support staffing structure and roles so as to ensure that the needs of all pupils are met.
- Embed and evaluate the new broad and balanced curriculum to ensure it is meeting the specific needs of all pupils.
- To embed the Christian values of tolerance and democracy.
- To further reduce levels of pupil anxiety caused by social media.
- To foster and embed a culture where diversity is valued, underpinned by our Christian and British values.

#### Public benefit

The activities undertaken by the Dayspring Trust are summarised in this report for the benefit of the public.

The Trustees confirm that they have referred to the guidance contained within the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities for the year.

#### **Strategic report**

##### **Achievements and performance**

The achievements for 2016/2017 are summarised below: -

##### **Venerable Bede CE Academy**

The achievements for 2016/2017 are summarised below: -

- Successful SIAMS Inspection in July 2017 resulting in a judgement of OUTSTANDING in every category:
- 'As a result of the deep theological understanding of Christian values that is promoted, the academy is a community that cares about each other and nurtures everyone. This stems from the visionary and generous leadership of the executive headteacher, the Head of School and their senior colleagues.'
- 'Collective worship is carefully planned and exceptional for the impact that it has upon the lives of the whole community. It is inclusive and enables individuals to build relationships with each other and God.'
- 'Religious education (RE) engages and challenges young people so that they think deeply about a range of beliefs and practices. This promotes pupils' academic success and their significant respect for Christianity and other faiths.'
- 'The needs of each pupil are carefully considered in the light of the academy's motto 'Soar to the heights together'. As a result, decisions are made in the very best interests of the individual so that he/she is enabled to succeed as a child of God in, and beyond, the academy community.'
- Significantly improved GCSE Examination results
- Continued rising trend for Venerable Bede as first choice for parents/carers – an additional 50 pupils entered the academy in 2016 and all but one year group is now full.
- Strengthened staffing in key EBacc areas using qualified subject specialists particularly English, Maths and Science.
- Prudent and wise spending choices leading to effective value for money – see audit reports
- Additional funding for disadvantaged pupils is used well
- Strengthened links with our partner schools within the Prince Bishops Teaching School Alliance – very active as an ITT partner growing the next generation of teachers
- Successful collaboration with local Primary Schools – working closely together to achieve excellent transition for pupils.
- Successful 'Prayer Spaces' project – a collaboration of pupils' work which included a presentation to promote positive health and well-being for all, which is displayed on the Diocesan website.
- Visit of the Archbishop of York as a part of the talking Jesus Weekend, celebrating the work of pupils using prayer spaces to support all.



# DAYSPRING TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

### Key performance indicators

#### Venerable Bede CE Academy

#### Key Performance Indicators: Results

The table below indicates GCSE results A\* - C over a three year trend 2015-2017.

	2015	2016	2017
Number on Roll	158	132	136
5A*-CEM	46%	44%	N/A
5A*-C	63%	54%	N/A
5A*-G	98%	96%	N/A
% 9-4 English and Maths	49%	49%	55%
% 9-5 English and Maths	N/A	N/A	32%
2 Sciences	42%	46%	N/A
3 A*/A (9-7)	15%	15%	23%
1A*/A (9-7)	36%	36%	37%
3LoP English	55%	66%	N/A
3LoP Maths	63%	44%	N/A
% Entered EBacc	21%	31%	54%
% Achieved EBacc (4+/C+)	15%	18%	32%
% Achieved EBacc (5+/C+)	N/A	N/A	25%
Attainment 8	N/A	46.1	46.1
Progress 8	N/A	-0.46	-0.18
Art	54%	41%	48%
Biology	90%	100%	100%
Chemistry	75%	100%	100%
Child Development	64%	43%	N/A
English	53%	54%	68%
English Lit	56%	50%	74%



# DAYSPRING TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Fashion	46%	67%	N/A
Food	18%	31%	N/A
French	100%	42%	33%
Geography	64%	49%	72%
Health & Social Care	68%	91%	96%
History	79%	71%	73%
ICT	72%	73%	85%
Maths	65%	56%	59%
Music	80%	86%	77%
Physical Education	41%	37%	51%
Physics	65%	100%	100%
Religious Education	76%	60%	75%
Science Add	56%	44%	58%
Science Core	75%	47%	59%
Sociology	48%	67%	50%
Spanish	76%	78%	74%
Textiles	56%	78%	46%

### Venerable Bede CE Academy

#### Key Performance Indicators: Attendance, Behaviour and Exclusions

2016/2017

Behaviour & Attendance Whole school (to June 2017)			
Group	Attendance	Persistent Absence	Fixed Term Exclusion
Overall	94.49	108	15
7	95.73	19	3
8	94.55	22	1
9	93.47	25	5
10	94.67	17	4
11	93.89	25	2

In addition, there was one Permanent Exclusion from Y11.



# DAYSPRING TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Behaviour & Attendance Disadvantaged & Non-disadvantaged (to June 2017)						
Year Group	Attendance		Persistent Absence		Fixed Term Exclusion	
<u>Disadv/Non</u>	D	N	D	N	D	N
<b>Overall</b>	92.37	95.43	83	53	4	11
<b>7</b>	93.43	96.67	12	7	0	3
<b>8</b>	92.60	95.5	10	12	0	1
<b>9</b>	92.74	93.75	9	16	0	5
<b>10</b>	91.94	96.07	9	8	4	0
<b>11</b>	90.73	92.37	12	13	0	2

The short-term inclusion room, which has been in operation for 5 academic years, has seen a significant reduction in its use as a result of improving behaviour.

The Learning Zone has had a significant impact on reducing the number of exclusions, especially for pupils with FSM. The number of exclusions has dropped considerably. Attendance remains a key focus for the academy to further improve, especially the attendance of disadvantaged pupils. The future appointment of a Behaviour Support and Intervention Manager will further enhance the current service provision.

### Key Performance Indicators: Financial

#### Key Financial Indicators

Pupil numbers have been consistent within Ian Ramsey CE Academy and are increasing year on year at Venerable Bede CE Academy. The Trust continues to maximise its income for the benefit of all pupils, whilst constantly striving for value for money and cost effectiveness and efficiency.

Financial benchmarking against similar schools indicates that total expenditure at Venerable Bede is lower than similar local schools, as is staffing, premises and supplies and services costs. Occupation costs have been identified as being higher than in other similar schools, however this may be due to in-house catering whilst other schools may buy in their catering service.

Current expenditure on teaching staff is above average as there has been a recruitment drive to attract high calibre staff in the fields of English and Mathematics. Impact on key performance indicators will be positive as pupil numbers continue to rise.

Compared to statistical neighbours, Ian Ramsey total spend is less than its nearest neighbour as is the spend on total staffing, occupation costs and supplies and services. Premises costs appear to be higher than some in the range selected.

The Trust's mission is to improve efficiency in both its academies by looking to achieve higher levels of progress with the same funding.

Key Performance Indicators - 2016/17		
	Venerable Bede	Ian Ramsey
Salary costs to ESFA Revenue Income	85.40%	79.40%
Salary Costs to Total Income	81.30%	78.50%
Salary Costs as % Total Expense	82.60%	78.80%
FTE Teaching Staff	49.2	66.9
FTE <u>Support</u> Staff	36.9	48.7
Total FTE	89.1	115.6



# DAYSPRING TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### Strategic Report

#### Achievements and Performance

The achievements for 2016/2017 are summarised below: -

#### Ian Ramsey CE Academy

- Judged at least GOOD in all categories with OUTSTANDING for Religious Education in SIAMS (Statutory Inspection of Anglican and Methodist Schools).
- Successful recruitment drive to EBacc areas of qualified subject specialists.
- Implementation of a new curriculum model, ensuring it continues to fit the needs of all learners. Hence giving pupils the opportunities to gain the necessary life skill, knowledge and examinations to be successful in their next step in life.
- Development of a new timetable structure to support the needs of the new curriculum.
- Attendance above national averages and declining persistent absence rates.
- Successful Art Exhibition featuring pupils work at The Arc, Stockton.
- Pupil Worship Leaders at Durham Cathedral Services for year 6 leavers.
- Community Choir singing at several local Care Homes for the Elderly.
- Several community events including raising money for Syria, Spring Concert which raised £656 for Marie Curie Cancer Care and a food collection for the Salvation Army.
- Celebrated sporting success having several pupils taking part in County Championships in Rugby, Football and Cross-country. One year 9 pupil representing England in U15's Ladies' Football.
- Hosted a number of successful overseas visits including trips to Austria for skiing, Creative Arts visit to London, Rhine Valley, Cologne, Switzerland and Rome.
- Exam Results
- Progress 8 – 0.16 (all pupils), 0.21 (Non disadvantaged), -0.01 (Disadvantaged pupils) Attainment 8 -5.5
- A\*-C Including English and Maths – 69.2% (13% increase on 2015)
- A\*-C Best English – 79%
- A\*-C Maths – 77%
- Excellent outcomes in MFL, RE, History, Geography, Science, BTEC Engineering, Music, Art, BTEC Business Studies.
- Catch up Funding success
- **Maths – 84% achieved level 4 in year 7**
- 7 pupils arrived on level 3 – All 12 achieved level 4 during the academic year 15/16 7 pupils arrived on level 2 – 4 of the 7 achieved level 4 during the academic year 15/16. Of the remaining 3, 1 has made 1 whole level's progress and 2 have made 2 sublevels' progress.
- **English – 65% achieved level 4 in year 7**
- 16 pupils arrived level 3 on entry – 13 achieved level 4 during the academic year 15/16. 4 pupils arrived on level 2 on entry – 3 have made 2 sublevels' progress – the 4th pupil has since left the school.
- **Reading age/Spelling age**
- Pupils working on literacy beyond the traditional curriculum improved their reading ages by an average of 24 months and spelling age by 20 months following one-to-one intervention. Of note were 3 pupils whose reading age increased by 50+ months.
- Intervention work to address any gaps in the performance of vulnerable pupils.
- Community use has increased by 25% across the year and we are now operating a waiting list.
- Positive internal assurance policy reports in our first year as an academy.
- The new Academy Council has supported and challenged the Head of School and the Senior Leadership Team, particularly around pupil outcomes but also Health & Safety around the new buildings. Further sub-groups have also been introduced to provide great scrutiny and support for; attendance & behaviour, teaching, learning and assessment, Christian ethos and British values.
- Amanah room, previously called the inclusion room, has been relocated, with the focus now based on supporting the learning of our vulnerable pupils.
- An internal exclusion room has replaced the isolation room, so we can reduce the number of fixed term exclusions.
- Admin office spaces have been relocated to improve efficiency around the building.



# DAYSPRING TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### Key Performance Indicators: Results

The table below indicates GCSE results A\* - C over a three year trend 2015-2017.

	2015	2016	2017
Number on Roll	233	234	231
5A*-CEM	56.2%	69%	N/A
5A*-C	75.1%	79.9%	N/A
5A*-G	95.7%	100%	N/A
% 9-4 English and Maths	62.7%	69.2%	63.6%
% 9-5 English and Maths	N/A	N/A	44.6%
2 Sciences	51.1%	78.6%	N/A
3 A*/A (9-7)	31.8%	30.8%	29.4%
1A*/A (9-7)	59.7%	59.8%	64.9%
3LoP English	57.3%	63%	N/A
3LoP Maths	59.6%	73%	N/A
% Entered EBacc	40.8%	58.5%	
% Achieved EBacc (4+/C+)	33.5%	39%	43.3%
% Achieved EBacc (5+/C+)	N/A	N/A	35.9%
Attainment 8	N/A	54.91	48.95
Progress 8	N/A	0.15	-0.06
Art	71%	80%	95%
Biology	97%	98%	90%
Chemistry	96%	96%	82%
Computing		58%	48%
Drama	79%	46%	64%
English	64%	68%	72%



# DAYSPRING TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

English Lit	70%	76%	69%
Fashion	58%	80%	
Food	60%	52%	45%
French	78%	82%	59%
Geography	74%	80%	62%
German	87%	81%	84%
Graphics	71%	75%	40%
History	64%	74%	77%
ICT	74%	47%	71%
Italian	0%	100%	100%
Latin	100%	100%	80%
Maths	70%	75%	69%
Music	76%	100%	77%
PE	58%	62%	58%
Physics	100%	98%	87%
RE	76%	79%	82%
Resistant Materials	53%	58%	65%
Russian		100%	
Science Add	98%	77%	54%
Science Core	68%	69%	52%
Spanish	87%	100%	70%
Statistics	89%	80%	
Urdu	87%	88%	100%
BTEC Business	97%	99%	87%
BTEC Engineering	65%	88%	64%
BTEC Sport	75%		
BCS ECDL	97%	100%	100%



# DAYSPRING TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### Key Performance Indicators: Attendance, Behaviour and Exclusions

2016/2017

Behaviour & Attendance Whole school (to June 2017)			
Year Group	Attendance	Persistent Absence	Fixed Term Exclusion
Overall	94.9	7.5	21
7	96.2	12.6	0
8	95.3	12.5	2
9	95.2	17.7	3
10	94.2	18.6	1
11	93.4	13.7	15

Behaviour & Attendance Disadvantaged & Non-disadvantaged (to June 2017)						
Year Group	Attendance		Persistent Absence		Fixed Term Exclusion	
Disadv/Non	D	N	D	N	D	N
Overall	92	95.9	20	3.3	6	15
7	94.4	96.8	15.8	9.8	0	0
8	93.6	95.9	25.5	5.4	1	1
9	93	95.8	31	11.8	0	3
10	91.9	95.1	33.3	12.8	0	1
11	87.4	95.5	25	8.6	5	10

### Going Concern

After making appropriate enquiries, the Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it has adopted 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.

### Financial review

Most of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Trust also receives grants for fixed assets. In accordance with the Charities Statement of Recommended Practice, Accounting and Reporting by Charities, 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.

During the year ended 31 August 2017, total expenditure excluding depreciation and LGPS movements of £10,728,596 was less than the recurrent grant funding from the ESFA together with other incoming resources of £10,663,288. The excess of expenditure over income for the period (excluding restricted asset funds) was £65,308. As at 31 August 2017 the net book value of fixed assets was £260,815. The assets were used exclusively for providing education and the associate support services to the pupils of the Academies within the Trust.



# DAYSRING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### Reserves policy

The Board of Directors review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Board of Directors have determined that the appropriate level of free reserves should be equivalent to one month's expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The actual amount of unrestricted reserves was £489,313 which on the one hand is positive given the in-year budget deficit of Venerable Bede CE Academy, which was due to falling rolls, however The Board of Directors are confident that this figure will rise year on year given the increasing pupil numbers throughout the Trust. The Board of Directors will continue to monitor reserves on a regular basis.

#### Investment policy and powers

All investments, outside of the deposit account, will be made on a risk-averse basis, taking ethical considerations into account and the approval of the Board of Directors. If the Trust is able to generate better returns than provided in the deposit account, it may undertake other investments. Funds, which the Trust does not require immediately to cover anticipated expenditure, will be invested in such a way as to maximise the Trust's income but without risk. The Trust's aim is to spend the publicly funded monies with which we are entrusted for the direct benefit of the pupils as soon as it is prudent. The Trust does not consider the investment of surplus funds as a primary activity, rather it is the result of best practice as and when circumstances allow.

#### Principal risks and uncertainties

The Dayspring Trust is subject to a number of risks and uncertainties in common with other Multi Academy Trusts. The Trust has in place procedures to identify and mitigate financial risks. The Board of Directors have assessed the major risks to which each of its academies is exposed especially in operational areas (e.g. in relation to health and safety) and in relation to the control of finance and have put into place financial policies and procedures in order to minimise these risks.

The principal risks and uncertainties to which the Trust is exposed includes:

- Changes in the level of Government funding. The Trust is working to identify the potential implications of the government's proposals to change the funding methodology, particularly where numbers on roll are stable but fixed costs increase.
- Maintaining current pupil numbers to ensure maximisation of funding levels. The Trust is acutely aware of the impact of falling rolls, having successfully managed this within one of its academies over the last few years. In the light of this, the Trust are actively engaged in fostering positive public relations with its stakeholders.
- MAT growth and development. The Trust is actively seeking to expand its Board of Directors and and plans to engage with schools interested in potentially joining Dayspring Trust.
- Local Government Pension Scheme - resulting in a deficit on the Academy balance sheet.
- On-going curriculum changes.
- Wear and tear on ageing buildings and assets.

The Trustees are responsible for the identification and management of risks for the Academy Trust as a whole. A formal review of risks and risk management plans covering premises and staff was undertaken in July 2017 and are contained within the Trust's Risk Register.

The key controls operated by the Academy include:

- formal agendas and minutes for all Board of Directors' and Academy Council meetings
- terms of reference for all committees
- comprehensive strategic planning, financial forecasting, budget reporting and management accounting
- clear line management and reporting structures
- internal assurance programme delivered by external auditor
- review of risk register
- robust recruitment and selection procedures
- robust appraisal systems
- pro-active approach to public perception



# DAYSPRING TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### Plans for future periods

Strategic priorities for the year ahead include to:

- Attract a suitable replacement for the current vacancy for financial expertise within the MAT Board
- Build capacity within the Trust Board by attracting colleagues with skills and knowledge to enhance the current mix
- Plan for effective succession planning within the Trust Board
- Explore options for Trust expansion and development
- Prepare an 'offer' document to attract prospective academies to join the Trust
- Continue to harmonise policies and procedures across the two academies within the Trust.
- Explore options for the provision of Payroll Services.
- Continue to explore economies of scale in line with greater purchasing power as a Multi Academy Trust.

### Funds held as custodian trustee on behalf of others

There are no funds or assets currently held by the Dayspring Trust.

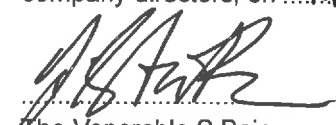
### Auditor

In so far as the trustees are aware:

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

Baldwins Audit Services Limited, having expressed their willingness to continue in office, have been re-appointed for the next financial year.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 14/12/17 and signed on its behalf by:



The Venerable S Bain

Chair



# DAYSPRING TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Dayspring Multi Academy Trust has an effective and appropriate system of strategic governance, oversight and 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 Executive Headteacher as accounting officer, alongside the Executive Business Manager, 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 Dayspring Multi Academy Trust and the Secretary of State for Education. The Finance and General Purposes Committee have delegated powers from the Board for close scrutiny of financial systems and internal audit. The Executive Headteacher is 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 6 times during the year. Attendance during that period of time, at meetings of the Board of Trustees, was as follows:-

Trustees	Meetings attended	Out of possible
The Venerable S Bain (Chair)	6	6
Mr C N Williams (Vice Chair)	6	6
Mr P Russell	5	6
Mrs G A Booth (Executive Headteacher)	6	6
Mr J G Farnsworth (Resigned 21 February 2017)	0	2
Mr R P Thorndyke	6	6
Rev D M Brooke	3	6
Mr D M Robinson	4	6

The Trust has been in existence since its incorporation on 28 October 2014 and, at the current time, has two academies within the Trust: Ian Ramsey CE Academy, located in Stockton-on-Tees and Venerable Bede CE Academy, located in Sunderland.

This last year has once again been a year of consolidation for the Trust, building its expertise and knowledge in order to offer strategic vision and guidance to both its academies, but in particular to support Ian Ramsey CE Academy with strong leadership and governance in preparation for an expected Ofsted visit.

There have been no changes to the Members of the Trust, however a resignation was received in January 2017 from one of the Directors. The Board has actively sought to recruit to this vacancy, utilising the services of Academy Ambassadors.

The Directors are aware of their responsibilities which particularly include high quality educational outcomes for our pupils, in addition to the following:

- To act in such a way as to promote the success of the Trust in terms of charitable objectives
- To take note of the likely consequences of any decisions in the longer term
- To take note of the likely consequences of any decisions on employees
- The need to foster relationships with suppliers and customers
- To consider the impact of Trust operations on the community and environment

The Directors are also aware of their duties under section 117 of the Charities Act 2011.

The Trust delegates key responsibilities, according to its scheme of delegation, to "Academy Councils" which sit at each academy. The role of each Academy Councils is to support and challenge each academy in its work in several areas, including pupil attendance, behaviour and discipline, health and safety, safeguarding, ethos and teaching and learning.



# DAYSPRING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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The Board of Trustees held a Trust Training Day on 24 June 2017, attended by all Directors and key senior leadership staff. Key aspects of the day included a workshop on building capacity within a Multi Academy Trust, a SWOT analysis, a review of governance over the past year and the completion of a Trust development plan.

Several key strengths were identified: the significant skills and experience of the Board of Trustees; strong relationships with key partner agencies including the Regional Schools Commissioner; a growing positive reputation; parental engagement; embedded school improvement.

Several opportunities were also explored which included future expansion, financial procurement leading to Trust-wide savings, and the journey leading to the achievement of an outstanding Ofsted inspection at both academies.

### Academy Councils

Each academy within the Trust has an Academy Council comprising of the following members:

- 1 Head of School
- 2 Staff members (elected)
- 2 Parent members (elected)
- 4 members appointed by the MAT
- 3 MAT Directors

The skills and experience brought to each Local Academy Council include teaching experience, legal expertise, high level managerial experience, previous experience of local government and recruitment skills.

The scheme of delegation is a live document and has been reviewed and amended on an on-going basis.

In addition to the overall academy council body, there are sub-groups who meet on a regular basis to discuss and challenge in the following areas: behaviour and attendance, teaching and learning, outcomes, safeguarding, ethos, premises and health & safety. Feedback from these focus groups is reported formally at academy council meetings.

It was agreed to reduce the number of meetings from five in the previous year to three (once per term) in the new academic year. Attendance at meetings during the period (1 September 2016 – 31 August 2017) was:

### Venerable Bede Academy Council

	Meetings Attended	Out of a Possible
Mr R Thorndyke (Director and Chair)	3	3
P Russell (Director)	3	3
Mr J Farnsworth (Director)*	0	1
*Resigned January 2017		
Cllr P Tye (Appointed)	2	3
*Resigned July 2017		
Rev D Tolhurst (Appointed)	3	3
Mrs P Davison (Appointed)	0	3
Mrs E Gray (Appointed) *	1	3
*Apologies given due to serious illness		
Mr P Young (Staff)	3	3
Mrs D Outen (Staff)	2	3
Mr D Gilley (Parent)*	1	2
*Appointed November 2016		
Mrs K Jones (Parent)*	1	2
*Appointed November 2016		
Mr D Airey (Head of School)	3	3



# DAYSPRING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### Ian Ramsey Academy Council

	Meetings Attended	Out of a Possible
Mr N Williams (Director and Chair)	3	3
Rev D Brooke (Director)	3	3
Mr D Robinson (Director)	1	3
Mr J Sheil (Appointed)	3	3
Mr M Anderson (Appointed)	3	3
Mrs V Hall (Appointed)	1	3
Mrs B Miller (Appointed)	3	3
Mrs M Neish (Parent)	2	3
Ms K Dack (Staff)	2	3
Mr A Watt	3	3
Mr B Janes (Head of School)	3	3

### Key Challenges

Some of the key challenges for the Multi Academy Trust since incorporation has been:

- Establishing Trust wide terms and conditions for staff across two Local Authority areas
- To attract key personnel
- To build capacity at Senior Leadership Team level at both academies
- Funding restraints due to historical falling rolls in one academy whilst being over-subscribed in the other academy
- To develop and build strong governance and to discern and establish an appropriate role for Local Academy Councils
- To drive up academic standards to improve outcomes for all pupils

The Finance and General Purposes Committee is a sub-committee of the Board of Trustees. Its purpose is to consider and recommend to the MAT Board the draft annual budget, and to regularly monitor the progress of the budget using financial information supplied by the Executive Headteacher and finance staff. The Finance and General Purposes Committee also meet to discuss and agree spending decisions and to review findings from the termly internal assurance programme.

Attendance at meetings during the period (1 September 2016 – 31 August 2017) was:

Trustees	Meetings attended	Out of possible
The Venerable S Bain (Chair)	5	6
Mr C N Williams (Vice Chair)	6	6
Mrs G A Booth (Executive Headteacher)	6	6
Mr J G Farnsworth (Resigned 21 February 2017)	1	1

The Executive Business Manager and Heads of School also attend these meetings as invitees.

The key challenge for the Finance and General Purposes Committee during the period has been to manage staffing levels according to curriculum need. This resulted in two full time equivalent redundancies at Ian Ramsey CE Academy, in the curriculum area of Design and Technology. This action required careful planning and delivery to ensure that those staff affected were treated with dignity and respect, whilst managing the whole school workforce throughout such a difficult period. Other challenges include:

- to provide effective challenge on proposed spending
- to support each academy where unexpected resources have been required
- to ensure future resources meet the needs of each academy

The Finance and General Purposes Committee currently has a dual purpose and acts as the Audit Committee; this is reviewed each academic year on an ongoing basis.



# **DAYSRING TRUST**

## **GOVERNANCE STATEMENT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **Review of value for money**

As accounting officer, the Executive Headteacher, alongside the Executive Business Manager, has responsibility for ensuring that the multi academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Managing a budget based on historical falling rolls to ensure pupil outcomes are not compromised
- Re-negotiation of existing financial contracts to ensure continued value for money
- Amalgamation of trust services to deliver economies of scale – this includes a trust wide IT strategy
- Review of trust led services i.e. personnel, professional clerking to ensure the best service for resources available
- Use of consortia arrangements when procuring goods and services
- Out-sourcing professional services to attract additional funding i.e. provision of specialist language teaching to primary colleagues.

#### **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 three on-going priorities:

- 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;
- to manage them efficiently, effectively and economically.

The system of internal control has been in place across the Dayspring Multi Academy Trust for the period 1 September 2016 – 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees who receive termly internal assurance reports from the trust's auditors.

The Academy Trust Financial Handbook is reviewed regularly by both the Executive Business Manager and members of the Finance and General Purposes Committee to ensure that it reflects current practice and procedure.

#### **Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the multi 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 on-going process for identifying, evaluating and managing the multi academy trust's significant risks that has been in place for the period 1 September 2016 – 31 August 2017 and up to the date of approval of the annual report and financial statements. This is via each academy's internal financial controls and procedures that are in place, together with the academy's risk register and risk management plan. These procedures are regularly reviewed by the Board of Trustees.



# **DAYSPRING TRUST**

## **GOVERNANCE STATEMENT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **The risk and control framework**

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

- Comprehensive 5 year budget planning with an annual budget reviewed by the Finance & General Purposes Committee and ratified by the Board of Trustees.
- Regular financial reports reviewed and agreed by the Finance & General Purposes Committee and Board of Trustees.
- Regular (monthly) financial reports with narrative on the current position of the budget with projections to the Board of Trustees.
- Regular reviews by the Finance and General Purposes Committee and Board of Directors of major purchase plans, capital works and expenditure programmes.
- Review of set targets to measure financial and other performance.
- Continuous review of scheme of delegation.
- Clear financial delegation levels and procurement policies and procedures.
- Segregation of duties and financial accountability.
- Identification and management of risks.
- Clear line management responsibility and accountability.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors have appointed Baldwins Audit Services Limited as their external auditor to carry out a programme of checks on each academy's financial systems and processes.

The external auditor's role includes giving advice on financial matters and performing a range of checks on the Multi Academy Trust's financial systems. On a termly basis, the external auditor reports to the Finance & General Purposes Committee and Board of Trustees on the operation of the systems of control and on the discharge of the Board of Director's financial responsibilities.

Three internal assurance visits have been undertaken during the period 1 September 2016 – 31 August 2017 and there were no 'high risk' matters identified in any review.

In particular, the checks carried out in the current period included:

- Monthly check of payroll journal received from provider
- Checks at each payment run to ensure legitimacy of supplier and payment
- Monthly checks on reconciliation of bank accounts
- Regular checks on changes to staffing details
- Monthly checks on the reconciliation of Trial Balance, Balance Sheet and P&L account
- Monthly checks on credit card spend
- Annual check on teachers' pensions.

#### **Review of effectiveness**

As accounting officer, the Executive Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year 1 September 2016 - 31 August 2017, the review has been informed by:

- The work of the external auditor
- The financial management and governance self-assessment process carried out by the Board of Trustees
- The work of the academy staff who have responsibility for the development and maintenance of the internal financial controls.
- The financial controls, policies and procedures in place at the academy.



# DAYSPRING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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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 Board of Trustees and the Finance and General Purposes Committee: where relevant, a plan is in place to address any weaknesses, together with a plan to ensure continuous improvement.

Approved by order of the board of trustees on 14/12/17 and signed on its behalf by:



The Venerable S Bain  
Chair



Mrs G A Booth  
Executive Headteacher



# **DAYSPRING TRUST**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2017**

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As accounting officer of Dayspring Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2016.

I confirm that I and the academy trust's 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 2016.

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.

*GA Booth*

Mrs G A Booth  
Accounting Officer

*14/12/17*



# DAYSPRING TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2017**

The trustees (who also act as governors for Dayspring Trust and are also the directors of Dayspring Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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 accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 14/12/17 and signed on its behalf by:



The Venerable S Bain  
Chair



# DAYSPRING TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAYSPRING TRUST

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### Opinion

We have audited the accounts of Dayspring Trust for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

### 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 'Auditor's responsibilities for the audit of the accounts' 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 accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts 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 accounts are authorised for issue.

### Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.



# **DAYSPRING TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAYSPRING TRUST (CONTINUED)**

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### **Matters on which we are required to report by exception**

In the light of the 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 incorporated 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 accounts 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 are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 charitable company, or have no realistic alternative but to do so.



# DAYSPRING TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAYSPRING TRUST (CONTINUED)

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### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

*Baldwin*

**Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)**  
for and on behalf of Baldwins Audit Services Limited

*20/12/17*  
.....

**Chartered Accountants**  
**Statutory Auditor**

Wynyard Park House  
Wynyard Avenue  
Wynyard  
TS22 5TB



# **DAYSPRING TRUST**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DAYSPRING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 15 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Dayspring Trust during the period 1 September 2016 to 31 August 2017 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 Dayspring Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Dayspring Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Dayspring Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Dayspring Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Dayspring Trust's funding agreement with the Secretary of State for Education dated 21 December 2012 and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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



# DAYSPRING TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DAYSPRING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

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The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Assurance reports
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Baldwins

**Reporting Accountant**

Baldwins Audit Services Limited

Dated: 20/12/17



# DAYSPRING TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £	Restricted funds: General £ Fixed asset £	Total 2017 £	Total 2016 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	-	154,923	154,923
Charitable activities:					
- Funding for educational operations	4	155,935	10,079,321	-	10,235,256
Other trading activities	5	426,552	-	-	426,552
Investments	6	1,480	-	-	1,480
<b>Total income and endowments</b>		<b>583,967</b>	<b>10,079,321</b>	<b>154,923</b>	<b>10,818,211</b>
<b>Expenditure on:</b>					
Raising funds	7	506,070	-	-	506,070
Charitable activities:					
- Educational operations	8	1,660	10,558,866	258,837	10,819,363
<b>Total expenditure</b>	<b>7</b>	<b>507,730</b>	<b>10,558,866</b>	<b>258,837</b>	<b>11,325,433</b>
<b>Net income/(expenditure)</b>		<b>76,237</b>	<b>(479,545)</b>	<b>(103,914)</b>	<b>(507,222)</b>
Transfers between funds		-	(17,152)	17,152	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	19	-	1,533,000	-	1,533,000
<b>Net movement in funds</b>		<b>76,237</b>	<b>1,036,303</b>	<b>(86,762)</b>	<b>1,025,778</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		413,076	(2,528,790)	435,885	(1,679,829)
Total funds carried forward		489,313	(1,492,487)	349,123	(654,051)



# DAYSPRING TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2016		Funds	General	Fixed asset	2016
	Notes	£	£	£	£
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	-	40,028	40,028
Charitable activities:					
- Funding for educational operations	4	139,257	10,071,829	-	10,211,086
Other trading activities	5	333,446	-	-	333,446
Investments	6	7,526	-	-	7,526
<b>Total income and endowments</b>		<b>480,229</b>	<b>10,071,829</b>	<b>40,028</b>	<b>10,592,086</b>
<b>Expenditure on:</b>					
Raising funds	7	288,220	-	-	288,220
Charitable activities:					
- Educational operations	8	139,257	10,051,052	267,151	10,457,460
<b>Total expenditure</b>	<b>7</b>	<b>427,477</b>	<b>10,051,052</b>	<b>267,151</b>	<b>10,745,680</b>
<b>Net income/(expenditure)</b>		<b>52,752</b>	<b>20,777</b>	<b>(227,123)</b>	<b>(153,594)</b>
Transfers between funds		-	10,937	(10,937)	-
<b>Other recognised gains and losses</b>					
Actuarial losses on defined benefit pension schemes	19	-	(1,815,000)	-	(1,815,000)
<b>Net movement in funds</b>		<b>52,752</b>	<b>(1,783,286)</b>	<b>(238,060)</b>	<b>(1,968,594)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		360,324	(745,504)	673,945	288,765
Total funds carried forward		413,076	(2,528,790)	435,885	(1,679,829)



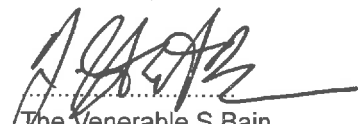
# DAYSPRING TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Intangible assets	12		4,950		-
Tangible assets	13		255,865		428,874
			<u>260,815</u>		<u>428,874</u>
<b>Current assets</b>					
Debtors	14	378,323		436,924	
Cash at bank and in hand		1,678,688		1,837,906	
		<u>2,057,011</u>		<u>2,274,830</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	(1,076,877)		(1,293,533)	
<b>Net current assets</b>			<u>980,134</u>		<u>981,297</u>
<b>Net assets excluding pension liability</b>			<u>1,240,949</u>		<u>1,410,171</u>
Defined benefit pension liability	19	(1,895,000)		(3,090,000)	
<b>Net assets</b>			<u>(654,051)</u>		<u>(1,679,829)</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	17				
- Fixed asset funds			349,123		435,885
- Restricted income funds			402,513		561,210
- Pension reserve			(1,895,000)		(3,090,000)
<b>Total restricted funds</b>			<u>(1,143,364)</u>		<u>(2,092,905)</u>
<b>Unrestricted income funds</b>	17		<u>489,313</u>		<u>413,076</u>
<b>Total funds</b>			<u>(654,051)</u>		<u>(1,679,829)</u>

The accounts set out on pages 32 to 57 were approved by the board of trustees and authorised for issue on 14/10/17 and are signed on its behalf by:

  
The Venerable S Bain  
Chair

Company Number 08310825



# DAYSPRING TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by (used in) operating activities	20		(224,843)		276,399
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		1,480		7,526	
Capital grants from DfE and ESFA		154,923		40,028	
Payments to acquire intangible fixed assets		(4,950)		-	
Payments to acquire tangible fixed assets		(85,828)		(77,410)	
			65,625		(29,856)
<b>Change in cash and cash equivalents in the reporting period</b>			(159,218)		246,543
Cash and cash equivalents at 1 September 2016			1,837,906		1,591,363
<b>Cash and cash equivalents at 31 August 2017</b>			1,678,688		1,837,906
<b>Relating to:</b>					
Bank and cash balances			1,597,041		1,761,007
Short term deposits			81,647		76,899



# DAYSPRING TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 1 Accounting policies

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

##### 1.1 Basis of preparation

The accounts 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Dayspring Trust meets the definition of a public benefit entity under FRS 102.

##### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

The reported share of the LGPS deficit has a significant impact on our restricted funds, however we draw your attention to the cash reserves held by the academy as well as the balances held in unrestricted and restricted general reserves.

##### 1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

###### Grants receivable

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

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

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

###### Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.



# DAYSPRING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 1 Accounting policies

(Continued)

##### Donations

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

##### Other income

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

##### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

##### Donated fixed assets

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

#### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

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

##### Charitable activities

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

##### Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.



# DAYSPRING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 1 Accounting policies

(Continued)

#### 1.5 Intangible fixed assets and amortisation

Intangible assets 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. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software/licences over the period of the agreement

#### 1.6 Tangible fixed assets and depreciation

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

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

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Computer equipment	over 3 years
Fixtures, fittings and equipment	over 4 years

The academy trust company occupies land (including buildings) which are owned by its Trustees who are the Diocese of Durham. The Trustees are the providers of the academies on the same basis as when the academies were maintained schools. The academy trust company occupies the land (and buildings) under a mere licence. This continuing permission of their Trustees is pursuant to, and subject to, the Trustees' charitable objects, and is part of the Church of England's contribution to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land (and buildings) to the academy trust company for the time being, but does not vest any rights over the land in the academy trust company. The Trustees have given an undertaking to the Secretary of State that they will not give the academy trust company less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the academy trust company is occupying the land (and buildings) the directors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company.



# DAYSPRING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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### 1 Accounting policies

(Continued)

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

Fixtures, fittings, equipment and ICT equipment transferred to the academy on conversion have been valued on the basis of the estimated net book value. Land and buildings have not been transferred to the academy.

Because the use of the land is made available to the academy trust under a Supplemental Agreement, the academy has been donated the right to use the buildings and under accounting standards a donation and expense representing the use of the facilities should be reflected in the financial statements. The trustees are of the opinion that obtaining a reliable estimate of this value would be onerous and the expense of obtaining such a valuation would outweigh any benefits derived. Therefore no such adjustment has been reflected in these financial statements.

#### 1.7 Liabilities

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

#### 1.8 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### 1.9 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. Prepayments are not financial instruments.

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

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

#### 1.10 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.



# DAYSPRING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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### 1 Accounting policies

(Continued)

#### 1.11 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, 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 are 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 and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

#### 1.12 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 the Education and Skills and Funding Agency, Department for Education and other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency, Department for Education and Local Authority.



# DAYSPRING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Capital grants	-	154,923	154,923	40,028



# DAYSPRING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	9,526,424	9,526,424	9,469,042
Other DfE / ESFA grants	-	506,610	506,610	493,477
	-	10,033,034	10,033,034	9,962,519
<b>Other government grants</b>				
Local authority grants	-	46,287	46,287	66,128
Special educational projects	-	-	-	24,033
	-	46,287	46,287	90,161
<b>Other funds</b>				
Catering income	155,935	-	155,935	139,257
Other incoming resources	-	-	-	19,149
	155,935	-	155,935	158,406
<b>Total funding</b>	155,935	10,079,321	10,235,256	10,211,086

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Hire of facilities	19,052	-	19,052	24,171
Catering income	1,310	-	1,310	1,546
Educational trips	180,774	-	180,774	203,859
Other income	225,416	-	225,416	103,870
	426,552	-	426,552	333,446

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Short term deposits	1,480	-	1,480	7,526



# DAYSPRING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 7 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2017 £	Total 2016 £
Expenditure on raising funds	113,483	-	392,587	506,070	288,220
Academy's educational operations					
- Direct costs	7,330,955	-	764,055	8,095,010	7,845,507
- Allocated support costs	1,490,345	813,537	420,471	2,724,353	2,611,953
	<u>8,934,783</u>	<u>813,537</u>	<u>1,577,113</u>	<u>11,325,433</u>	<u>10,745,680</u>

### Net income/(expenditure) for the year includes:

	2017 £	2016 £
Fees payable to auditor for:		
- Audit	11,000	10,000
- Other services	7,000	8,000
Operating lease rentals	24,945	28,802
Depreciation of tangible fixed assets	258,837	236,214
Loss on disposal of fixed assets	-	30,937
Net interest on defined benefit pension liability	60,000	40,000

### Central services

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

- human resources;
- financial services;
- legal services;
- educational support services; or
- others as arising.

The amounts charged to The Venerable Bede Church of England Academy charge were based on a proportion of unrestricted income. The amounts charged to Ian Ramsey Church of England Academy were based on 5% of GAG income.

The amounts charged during the year were as follows:

	Total £
The Venerable Bede Church of England Academy	87,353
Ian Ramsey Church of England Academy	281,559
	<u>368,912</u>



# DAYSPRING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Direct costs - educational operations	1,660	8,093,350	8,095,010	7,845,507
Support costs - educational operations	-	2,724,353	2,724,353	2,611,953
	<u>1,660</u>	<u>10,817,703</u>	<u>10,819,363</u>	<u>10,457,460</u>
			<b>2017 £</b>	<b>2016 £</b>
<b>Analysis of support costs</b>				
Support staff costs			1,490,345	1,221,931
Depreciation and amortisation			258,837	267,151
Premises costs			490,817	527,709
Other support costs			411,213	564,866
Governance costs			73,141	30,296
			<u>2,724,353</u>	<u>2,611,953</u>

### 9 Staff costs

	<b>2017 £</b>	<b>2016 £</b>
Wages and salaries	6,549,499	6,167,657
Social security costs	598,195	516,007
Operating costs of defined benefit pension schemes	1,332,508	1,038,610
Apprenticeship levy	4,499	-
Staff costs	<u>8,484,701</u>	<u>7,722,274</u>
Supply staff costs	377,664	517,183
Staff restructuring costs	32,540	-
Staff development and other staff costs	39,878	58,155
Total staff expenditure	<u>8,934,783</u>	<u>8,297,612</u>

#### Staff numbers

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

	<b>2017 Number</b>	<b>2016 Number</b>
Teachers	131	125
Administration and support	111	99
Management	16	14
	<u>258</u>	<u>238</u>



# DAYSPRING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 9 Staff costs

(Continued)

#### Higher paid staff

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

	2017 Number	2016 Number
£60,001 - £70,000	2	2
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£120,001 - £130,000	1	1

#### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £32,540 (2016: £nil). Individually, the payments were: £19,806 and £12,734.

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the academy trust was £1,013,253 (2016: £1,001,078).

### 10 Trustees' remuneration and expenses

One or more of the 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 staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

#### G Booth (headteacher):

Remuneration	£120,001 - £125,000 (2016: £120,001 - £125,000)
Employer's pension contributions	£15,001 - £20,000 (2016: £15,001 - £20,000)

Other related party transactions involving the trustees are set out within the related parties note.

During the year, travel and subsistence payments totalling £637 were reimbursed or paid directly to 3 trustees.

Other related party transactions involving the trustees are set out within the related parties note.

### 11 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £3,850 (2016: £5,147).



# DAYSPRING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 12 Intangible fixed assets

	Computer software £
<b>Cost</b>	
At 1 September 2016	-
Additions	4,950
At 31 August 2017	4,950
<b>Net book value</b>	
At 31 August 2017	4,950
At 31 August 2016	-

### 13 Tangible fixed assets

	Computer equipment £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>			
At 1 September 2016	545,846	336,564	882,410
Additions	73,528	12,300	85,828
At 31 August 2017	619,374	348,864	968,238
<b>Depreciation</b>			
At 1 September 2016	295,927	157,609	453,536
Charge for the year	178,643	80,194	258,837
At 31 August 2017	474,570	237,803	712,373
<b>Net book value</b>			
At 31 August 2017	144,804	111,061	255,865
At 31 August 2016	249,919	178,955	428,874

### 14 Debtors

	2017 £	2016 £
Trade debtors	1,147	10,997
VAT recoverable	99,581	90,156
Prepayments and accrued income	277,595	335,771
	378,323	436,924



# DAYSPRING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

<b>15</b>	<b>Creditors: amounts falling due within one year</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Trade creditors	288,800	431,385
	Other taxation and social security	151,443	218,528
	Other creditors	516,672	574,119
	Accruals and deferred income	119,962	69,501
		<u>1,076,877</u>	<u>1,293,533</u>
<b>16</b>	<b>Deferred income</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Deferred income is included within:		
	Creditors due within one year	30,489	9,933
		<u>30,489</u>	<u>9,933</u>
	Deferred income at 1 September 2016	9,933	36,415
	Released from previous years	(9,933)	(36,415)
	Amounts deferred in the year	30,489	9,933
		<u>30,489</u>	<u>9,933</u>
	<b>Deferred income at 31 August 2017</b>	<b>30,489</b>	<b>9,933</b>

Deferred income includes ESFA rates funding received in advance of the next financial year and receipts in advance for trips taking place after the year end.



# DAYSPRING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 17 Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant	561,210	9,526,424	(9,667,969)	(17,152)	402,513
Other DfE / ESFA grants	-	506,610	(506,610)	-	-
Other government grants	-	46,287	(46,287)	-	-
	<u>561,210</u>	<u>10,079,321</u>	<u>(10,220,866)</u>	<u>(17,152)</u>	<u>402,513</u>
Funds excluding pensions	561,210	10,079,321	(10,220,866)	(17,152)	402,513
Pension reserve	(3,090,000)	-	(338,000)	1,533,000	(1,895,000)
	<u>(2,528,790)</u>	<u>10,079,321</u>	<u>(10,558,866)</u>	<u>1,515,848</u>	<u>(1,492,487)</u>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	313,784	-	(191,000)	-	122,784
DfE / ESFA capital grants	74,158	154,923	(25,677)	(73,625)	129,779
Capital expenditure from GAG	47,943	-	(42,160)	90,777	96,560
	<u>435,885</u>	<u>154,923</u>	<u>(258,837)</u>	<u>17,152</u>	<u>349,123</u>
<b>Total restricted funds</b>	<u>(2,092,905)</u>	<u>10,234,244</u>	<u>(10,817,703)</u>	<u>1,533,000</u>	<u>(1,143,364)</u>
<b>Unrestricted funds</b>					
General funds	<u>413,076</u>	<u>583,967</u>	<u>(507,730)</u>	<u>-</u>	<u>489,313</u>
<b>Total funds</b>	<u>(1,679,829)</u>	<u>10,818,211</u>	<u>(11,325,433)</u>	<u>1,533,000</u>	<u>(654,051)</u>



# DAYSPRING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### 17 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. 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 2017.

Other DfE/ESFA grants include pupil premium, year 7 catch up and summer school funding targeted at disadvantaged pupils.

Other grants includes funding for pupils with special educational needs, teacher release funding, transitional tutor and associate principal funding.

DfE/ESFA Capital Grants consist of Devolved Formula Capital and Capital Improvement Funds received during the period.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

The Inherited Fixed Asset Fund reflects the fixed assets acquired on conversion. Depreciation on these assets is charged against this fund.

The net transfers of £17,152 between the restricted fixed asset fund and the GAG fund is in respect of revenue expenditure funded by devolved capital grants.

The academy has general restricted and unrestricted funds of £891,826 at 31 August 2017.



# DAYSPRING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 17 Funds

(Continued)

#### Movements in funds - previous year

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
<b>Restricted general funds</b>					
General Annual Grant	442,496	9,469,042	(9,361,265)	10,937	561,210
Other DfE / ESFA grants	-	493,477	(493,477)	-	-
Other government grants	-	90,161	(90,161)	-	-
Other restricted funds	-	19,149	(19,149)	-	-
	<u>442,496</u>	<u>10,071,829</u>	<u>(9,964,052)</u>	<u>10,937</u>	<u>561,210</u>
Funds excluding pensions	442,496	10,071,829	(9,964,052)	10,937	561,210
Pension reserve	(1,188,000)	-	(87,000)	(1,815,000)	(3,090,000)
	<u>(745,504)</u>	<u>10,071,829</u>	<u>(10,051,052)</u>	<u>(1,804,063)</u>	<u>(2,528,790)</u>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	539,332	-	(225,548)	-	313,784
DfE / ESFA capital grants	55,330	40,028	(10,263)	(10,937)	74,158
Capital expenditure from GAG	79,283	-	(31,340)	-	47,943
	<u>673,945</u>	<u>40,028</u>	<u>(267,151)</u>	<u>(10,937)</u>	<u>435,885</u>
<b>Total restricted funds</b>	<u>(71,559)</u>	<u>10,111,857</u>	<u>(10,318,203)</u>	<u>(1,815,000)</u>	<u>(2,092,905)</u>
<b>Unrestricted funds</b>					
General funds	<u>360,324</u>	<u>480,229</u>	<u>(427,477)</u>	<u>-</u>	<u>413,076</u>
<b>Total funds</b>	<u>288,765</u>	<u>10,592,086</u>	<u>(10,745,680)</u>	<u>(1,815,000)</u>	<u>(1,679,829)</u>

#### Total funds analysis by academy

	Total £
Fund balances at 31 August 2017 were allocated as follows:	
The Venerable Bede Church of England Academy	(245,093)
Ian Ramsey Church of England Academy	1,184,928
Central services	(48,009)
Total before fixed assets fund and pension reserve	<u>891,826</u>
Restricted fixed asset fund	349,123
Pension reserve	(1,895,000)
Total funds	<u>(654,051)</u>



# DAYSPRING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### 17 Funds

(Continued)

An in-year budget deficit was set for academic year 2015-16 at Venerable Bede CE Academy and this was due to historic falling rolls. Although 50 more pupils were admitted into the academy in September 2015, funding for those pupils was not due to be received until September 2016. Additional staffing was required to teach the increased cohort in year 7 and it was therefore not possible to make savings in year, and this resulted in a further deficit. The picture going forward is more optimistic. The academy is now over-subscribed with an expected full cohort of year 7 pupils over the next two to three years, thus reaching full capacity. Additional funding of approximately 50 pupil places per year will be received during that time, placing the academy in a surplus budget position.

#### Total cost analysis by academy

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
	£	£	£	£	£
The Venerable Bede Church of England Academy	3,010,791	566,126	257,171	705,594	4,539,682
Ian Ramsey Church of England Academy	4,100,826	624,523	416,925	623,384	5,765,658
Central services	219,338	135,179	17,888	50,851	423,256
	<u>7,330,955</u>	<u>1,325,828</u>	<u>691,984</u>	<u>1,379,829</u>	<u>10,728,596</u>

#### Funds analysis by academy - previous year

	Total 2016 £
Fund balances at 31 August 2016 were allocated as follows:	
The Venerable Bede Church of England Academy	(106,627)
Ian Ramsey Church of England Academy	1,080,913
Total before fixed assets fund and pension reserve	974,286
Restricted fixed asset fund	435,885
Pension reserve	(3,090,000)
Total funds	<u>(1,679,829)</u>



# DAYSPRING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### 17 Funds

(Continued)

##### Total cost analysis by academy - previous year

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2016 £
The Venerable Bede Church of England Academy	3,000,513	611,246	296,466	776,825	4,685,050
Ian Ramsey Church of England Academy	4,075,168	610,685	194,803	1,016,847	5,897,503
	<u>7,075,681</u>	<u>1,221,931</u>	<u>491,269</u>	<u>1,793,672</u>	<u>10,582,553</u>

#### 18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £
<b>Fund balances at 31 August 2017 are represented by:</b>				
Intangible fixed assets	-	-	4,950	4,950
Tangible fixed assets	-	-	255,865	255,865
Current assets	489,313	1,479,390	88,308	2,057,011
Creditors falling due within one year	-	(1,076,877)	-	(1,076,877)
Defined benefit pension liability	-	(1,895,000)	-	(1,895,000)
	<u>489,313</u>	<u>(1,492,487)</u>	<u>349,123</u>	<u>(654,051)</u>

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	428,874	428,874
Current assets	414,961	1,852,858	7,011	2,274,830
Creditors falling due within one year	(1,885)	(1,291,648)	-	(1,293,533)
Defined benefit pension liability	-	(3,090,000)	-	(3,090,000)
	<u>413,076</u>	<u>(2,528,790)</u>	<u>435,885</u>	<u>(1,679,829)</u>



# DAYSPRING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 19 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by South Tyneside Council and Middlesbrough Borough Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £190,199 (2016: £118,317) were payable to the schemes at 31 August 2017 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)
- 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 the TPS in the period amounted to £336,878 (2015: £311,659).

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



# DAYSPRING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 19 Pensions and similar obligations

(Continued)

Under the definitions set out in FRS 102, the TPS is a 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 the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are % for employers and % for employees. The estimated value of employer contributions for the forthcoming year is £277,000.

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.

Total contributions made	2017 £	2016 £
Employer's contributions	285,000	276,000
Employees' contributions	87,000	87,000
Total contributions	372,000	363,000

Principal actuarial assumptions	2017 % IR	2017 % VB	2016 % IR	2016 % VB
Rate of increases in salaries	3.0	3.5	3.4	3.4
Rate of increase for pensions in payment	2.0	2.0	1.9	1.9
Discount rate	2.5	2.5	2.0	2.0
Inflation assumption (CPI)	2.0	2.0	1.9	1.9

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

	2017 Years IR	2017 Years VB	2016 Years IR	2016 Years VB
Retiring today				
- Males	22.8	22.8	23.1	23.2
- Females	24.9	26.3	25.3	24.8
Retiring in 20 years				
- Males	25.0	25.0	25.3	25.3
- Females	27.2	28.6	28.0	27.1



# DAYSPRING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 19 Pensions and similar obligations

(Continued)

Scheme liabilities would have been affected by changes in assumptions as follows:

	2017	2016
	£	£
Discount rate + 0.1%	6,359,000	6,318,000
Discount rate - 0.1%	6,671,000	6,634,000
Mortality assumption + 1 year	6,320,000	6,267,000
Mortality assumption - 1 year	6,708,000	6,683,000
CPI rate + 0.1%	6,608,000	6,562,000
CPI rate - 0.1%	6,420,000	6,387,000

#### The academy trust's share of the assets in the scheme

	2017	2016
	Fair value	Fair value
	£	£
Equities	3,323,158	2,520,612
Government bonds	98,904	84,852
Corporate bonds	293,722	233,154
Cash	365,400	142,344
Property	361,488	299,034
Other assets	175,328	104,004
Total market value of assets	4,618,000	3,384,000
Actual return on scheme assets - gain/(loss)	952,000	477,000

#### Amounts recognised in the statement of financial activities

	2017	2016
	£	£
Current service cost	563,000	323,000
Interest income	(70,000)	(105,000)
Interest cost	130,000	145,000
Total operating charge	623,000	363,000



# DAYSPRING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

<b>19 Pensions and similar obligations</b>	<b>(Continued)</b>	
<b>Changes in the present value of defined benefit obligations</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Obligations at 1 September 2016	6,474,000	3,771,000
Current service cost	563,000	323,000
Interest cost	130,000	145,000
Employee contributions	87,000	87,000
Actuarial (gain)/loss	(651,000)	2,187,000
Benefits paid	(90,000)	(39,000)
At 31 August 2017	6,513,000	6,474,000
<b>Changes in the fair value of the academy trust's share of scheme assets</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Assets at 1 September 2016	3,384,000	2,583,000
Interest income	70,000	105,000
Actuarial gain	882,000	372,000
Employer contributions	285,000	276,000
Employee contributions	87,000	87,000
Benefits paid	(90,000)	(39,000)
At 31 August 2017	4,618,000	3,384,000
<b>20 Reconciliation of net expenditure to net cash flows from operating activities</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Net expenditure for the reporting period	(507,222)	(153,594)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(154,923)	(40,028)
Investment income receivable	(1,480)	(7,526)
Defined benefit pension costs less contributions payable	278,000	47,000
Defined benefit pension net finance cost	60,000	40,000
Depreciation of tangible fixed assets	258,837	236,214
Loss on disposal of fixed assets	-	30,937
Decrease/(increase) in debtors	58,601	(99,229)
(Decrease)/increase in creditors	(216,656)	222,625
<b>Net cash used in operating activities</b>	<b>(224,843)</b>	<b>276,399</b>



# DAYSPRING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 21 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017 £	2016 £
Amounts due within one year	17,381	17,381
Amounts due in two and five years	15,212	27,852
	<u>32,593</u>	<u>45,233</u>

### 22 Capital commitments

	2017 £	2016 £
Expenditure contracted for but not provided in the accounts	49,112	-

### 23 Related party transactions

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

No related party transactions took place in the period of account.

The academy trust company occupies land (including buildings) which are owned by its Trustees who are the Diocese of Durham. The Trustees are the providers of the academies on the same basis as when the academies were maintained schools. The academy trust company occupies the land (and buildings) under a mere licence. This continuing permission of their Trustees is pursuant to, and subject to, the Trustees' charitable objects, and is part of the Church of England's contribution to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land (and buildings) to the academy trust company for the time being, but does not vest any rights over the land in the academy trust company. The Trustees have given an undertaking to the Secretary of State that they will not give the academy trust company less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the academy trust company is occupying the land (and buildings) the directors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company.

### 24 Members' liability

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