

Company Registration No. 08310825 (England and Wales)

DAYSPRING TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2018

DAYSPRING TRUST

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DAYSRING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

The Rev Canon S Bamber (on behalf of the Bishop of Durham)
Mr P Rickeard (on behalf of Durham Diocesan Education Trust)
Mr R Thorndyke (on behalf of Durham Diocesan Board of Finance)
The Reverend Canon S Bain (Chair of Board of Directors)

Trustees

The Venerable S Bain (Chair)
Mr C N Williams (Vice Chair)
Mr P Russell
Mrs G A Booth (Executive Headteacher)
Mr R P Thorndyke
Rev D Brooke (Resigned 26 January 2018)
Mr D M Robinson
Mrs C Rayner (Appointed 7 March 2018)
Mrs E Miller (Appointed 7 March 2018)

Senior management team

- Headteacher	Mr D Airey
- Deputy Headteacher	Mrs T Burgess (Appointed April 2017)
- Deputy Headteacher	Mr R Goodman (Appointed July 2017)
- Assistant Headteacher	Miss J Fox
- Assistant Headteacher	Mrs S Richardson
- Assistant Headteacher	Mr C Roberts
- Headteacher	Mr B Janes
- Deputy Headteacher	Mrs J Cook
- Deputy Headteacher	Mr P Snowden
- Assistant Headteacher	Mrs M McCarthy
- Assistant Headteacher	Mr M Nicholson
- 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	Location	Principal
The Venerable Bede Church of England Academy	Sunderland	Mr D Airey
Ian Ramsey Church of England Academy	Stockton on Tees	Mr B Janes

Independent auditor Baldwins Audit Services
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

DAYSRING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Natwest
Sunderland City Branch
52 Fawcett Street
Sunderland
SR1 1SB

Solicitors

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

DAYSRING TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

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

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 911 and had a roll of 905 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 1165 at the time of the school census collection in Autumn 2018. 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 operates as Dayspring Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

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.

DAYSRING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Method of recruitment and appointment or election of trustees

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

6 Directors appointed by the Trust Board

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

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
- Headteacher
- 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 National Governor's Association and to Sunderland Local Authority Governor Training and Development Programme for the period 1 September 2017 to 31 August 2018, 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.

DAYSRING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The Executive Head Teacher is accountable overall to the MAT Board for ensuring the educational success of the academies within the overall framework of the MAT strategic plan, and liaises with each Headteacher with regard to each individual academy's development plan. She is responsible for providing strategic leadership across all aspects of the internal organisation, professional leadership, management and control of the academies. She is responsible for creating a culture of constant improvement, being an inspirational leader, and being committed to the highest achievement for all in all areas of the Trust's work. The Executive Head Teacher also has line management responsibilities for the Headteachers in each academy.

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 that lead to good financial health, which is essential to delivering an educational system that maximises the potential of our young people.

Heads of School at both academies were re-designated as Headteachers with effect from April 2018. This was a direct result of both academies now being judged Good overall, following the successful Ofsted inspection at Ian Ramsey CE Academy when it achieved Good in all four categories and Good for overall effectiveness.

The Headteachers report to the Executive Headteacher. The Headteachers are 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 Trust strategic plan, as well as each 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 Headteachers 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 Directors and report back to the Headteachers and Executive Headteacher.

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 Headteacher'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, that outlines the financial authorisation levels for such matters as the requisition of goods and services and 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 and payment of invoices, is in place and reviewed on a regular basis, not less than annually.

DAYSRING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 and Headteachers, whose appraisal process has a completion date of December each year. During the course of the year, each member of staff has the option to participate in 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 is ratified by the Trust Board.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	4
Full-time equivalent employee number	4.00

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	4
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	7,653,571
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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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.

DAYSRING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 2018

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

We also share five common Christian Values across the Trust:

- Joy
- Hope
- Forgiveness
- Wisdom
- Perseverance

DAYSRING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Objectives, strategies and activities

Venerable Bede strategic priorities for the period 1 September 2017 – 31 August 2018 were:

- To ensure that all pupils, particularly the most able, disadvantaged, and boys make at least expected progress compared to national averages;
- Analysis of 2017 results to identify strengths and areas for development;
- Ensure that the gap is closed between disadvantaged and non-disadvantaged pupils and the gender gap between boys and girls;
- All pupils identified as SEND to make progress in line with national expectations and their starting points;
- To accelerate the progress of those pupils deemed 'non secondary school ready';
- To improve the personal development, behaviour and welfare of all pupils;
- To ensure appropriate curriculum provision for all pupils;
- To improve the effectiveness of the teaching and learning coaching programme;
- To exceed whole school attendance averages;
- Review and re-invigorate the academy inclusion system;
- To ensure high standards of behaviour in the academy;
- Continue to embed and monitor the Attitude to Learning data so that appropriate intervention strategies are put in place to maximise pupil progress and wellbeing

Venerable Bede strategic priorities for the period 1 September 2017 – 31 August 2018

- Ensure the effectiveness of the Personal development programme;
- Ensure the effectiveness of the CEIAG programme;
- Improve the quality of teaching and learning to ensure all staff deliver quality first teaching to all pupils.

Ian Ramsey strategic priorities for the period 1 September 2017 – 31 August 2018 were:

- Embed and evaluate the new policy for self-evaluation;
- Improve delivery and impact of teaching and learning to ensure pupils make good or better progress;
- Ensure the curriculum is differentiated to meet the needs of pupils with Special Educational Needs;
- Analysis of summer 2017 results to identify strengths and areas for development;
- Improve careers provision for all pupils across the Academy by meeting the Gatsby Benchmarks;
- To review the Life Without Levels tracking system;
- Improve the effectiveness of teaching, learning and assessment within the curriculum area of Science;
- Ensure that pupils have excellent attitudes to learning which leads to a strong positive impact on their progress;
- To develop distributed leadership to ensure high expectations, standards and high quality;
- Ensure CPD for teaching staff meets identified needs;
- Design, embed and evaluate a model of coaching and mentoring for teaching staff to continue to improve teaching and learning;
- To improve the mental health and well-being of pupils and staff throughout the academy;
- Continue to improve attendance and punctuality;
- To move the academy towards a judgement of outstanding at the next SIAMS inspection;
- To move the academy towards a judgement of Good at the next Ofsted inspection.

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.

DAYSRING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Strategic report

Achievements and performance

The achievements for 2017/2018 are summarised below: -

Venerable Bede CE Academy

- Improved GCSE attainment;
- Continued rising trend for Venerable Bede as first choice for parents/carers – an additional 50 pupils entered the academy in 2017;
- 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;
- 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;
- Continued diocesan activity in collaboration with Durham Diocese on a number of spiritual foci such as how 'prayer spaces' support the mental health and well-being of all pupils;
- Successful implementation of a Wellbeing group;
- The academy featured in the annual Parliamentary Review;
- Successful HMI visit as part of an OFSTED pilot looking at wellbeing of staff.

Catch Up Funding successes:

English

In 2017/18 there were 48 pupils in total of which 40 (40% disadvantaged and 60% non-disadvantaged) improved to meet age related national expectations by the end of year 7. Of those 40 pupils, 4 made excellent progress and 15 showed a significantly accelerated rate of progress, given their starting points. The remaining pupils (8) made progress of which 7 showed an accelerated rate given their starting points.

Mathematics

In 2017/18 there were 30 pupils in total of which 3 significantly improved to exceed age related national expectations and a further 15 who met age related national expectations by the end of year 7. Of those 18 pupils, there were 10 (56%) non-disadvantaged pupils and 8 (44%) disadvantaged pupils. The remaining pupils (12) made progress of which 4 showed an accelerated rate given their starting points.

Results Key Performance Indicator:

3 year mean values for GCSE Results

Attainment 8	45.42
Progress 8	-0.38
English and Maths 4+	55%
English and Maths 5+	35%
Achieved Ebacc 4+	30%
Achieved Ebacc 5+	25%

DAYSRING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Attendance Key Performance Indicator:

	2015/16	2016/17	2017/18
Overall Attendance	92%	94%	94%
Persistent Absence	18%	14%	16%

The achievements for 2017/2018 are summarised below: -

Ian Ramsey CE Academy

- In September 2017 Ofsted judged Ian Ramsey as good in all areas and in the overall judgement, moving the academy out of special measures in just over 3 years;

Excellent outcomes in:

- Applied Info Tech Non-GCSE
- Biology GCSE
- Com.Stds/Computing GCSE
- Business Studies:Single Non-GCSE
- Physics GCSE
- Excellent outcomes in MFL, RE, History, Geography, Science, BTEC Engineering, Music, Art, BTEC Business Studies
- Significant Improvements in English progress and attainment, particularly with the middle and more able pupils. Pupils on average achieved almost 0.5 grade higher in 2017 compared to 2016;
- Progress gaps of the vulnerable pupils have closed again in many of the KPIs;
- EAL pupils, in Year 11, had significantly better outcomes than other pupils;
- Community use has increased by 25% across the year for the second year running and we are now operating a waiting list;
- The Head of School is now the Headteacher at Ian Ramsey, as the Trust looks to expand;
- Amanah room, previously called the inclusion room, has been relocated, with the focus now based on supporting the learning of our vulnerable pupils;
- Successful launch of a new uniform;
- Hire of academy facilities to the wider public.

Catch Up Funding successes:

English

In 2017/18 there were 24 pupils, at the start of Year 7, that were below age related expectation. By the end of the year, eight of these pupils significantly improved and caught up so they are now working at age related expectation. A further eleven pupils made very good progress, above the average for the year group. The remaining five pupils made expected progress from their starting points.

Mathematics

In 2017/18 there were 56 pupils, at the start of Year 7, that were below age related expectation. By the end of the year, six of these pupils significantly improved and caught up so they are now working at age related expectation. A further twenty-eight pupils made very good progress, above the average for the year group. The remaining eleven pupils made expected progress from their starting points.

DAYSPRING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Results Key Performance Indicator:

3 year mean values for GCSE Results

Attainment 8	50.27
Progress 8	0.01
English and Maths 4+	66%
English and Maths 5+	45%
Achieved Ebacc 4+	32%
Achieved Ebacc 5+	33%

Attendance Key Performance Indicator:

	2015/16	2016/17	2017/18
Overall Attendance	95%	95%	95%
Persistent Absence	12%	8%	11%

Key performance indicators

Key Performance Indicators: Financial

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 current expenditure on teaching staff is above average for the comparison group however spend has been targeted at improving attainment for pupils.

In-year balances reflect the falling roles within one of our academies and this should improve year on year. Pupil – teacher ratio is average when compared to comparator schools and the trust constantly reviews its staffing structure when the opportunity presents itself.

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.

Compared to statistical neighbours, Ian Ramsey total spend is about average and in some instances, 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 and this may be due to higher levels of maintenance to ensure the building retains its 'new build' status.

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

Venerable Bede CE Academy funding is currently lagged per pupil number and this should have a positive effect on future key performance indicators.

DAYSPRING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Key Performance Indicators - 2017/18		
	Venerable Bede	Ian Ramsey
Salary costs to ESFA Revenue Income	90%	79%
Salary Costs to Total Income	85%	78%
Salary Costs as % Total Expense	83%	83%
FTE Teaching Staff	50	65
FTE Support Staff	43	43
Average Teacher Cost	£56,104	£54,128

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 2018 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' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2018, total expenditure of £10,978,023 (excluding depreciation and LGPS adjustments) was more than recurrent grant funding from the ESFA together with other incoming resources of £10,906,396. The excess of expenditure over income for the period (excluding LGPS and restricted asset funds) was £71,627.

As at 31 August 2018 the net book value of fixed assets was £211,489. The assets were used exclusively for providing education and the associate support services to the pupils of the Academies within the Trust.

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 their aim is for the level of free reserves to 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 £535,823 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

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.

DAYSPRING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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;
- Future financial impact of national pay awards;
- 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 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 retention and recruitment of teaching staff in the light of the current political climate.

Risk Management

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 2018 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.

Fundraising

The Trust has obtained funding in the past from such organisations as Awards From All to fund a free breakfast club for example. Monitoring and reporting of such finances has conformed to the terms and conditions of the funding and has been monitored by the Executive Business Manager and Accounting Officer.

Historically the Trust has not made a decision to raise funds from parents or the wider public.

Plans for future periods

Strategic priorities for the year ahead include to:

- Expand the number of Members of the Trust to five;
- Undertake a full review of governance at local academy level;
- Undertake a further review of the Scheme of Delegation in the light of changes to governance at local academy level;
- To recruit 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 skill mix;

DAYSPRING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

- Plan for effective succession planning within the Trust Board;
- Explore options for Trust expansion and development and actively seek interested parties from other academies and schools, including non-faith schools wishing to join a multi academy trust;
- Further develop the Trust 'offer' document to attract prospective academies to join the Trust;
- Continue to harmonise policies and procedures across the two academies within the Trust;
- Embed the work of the newly created Trust well-being group;
- Explore the possibility of a centralised finance function;
- Continue to explore economies of scale in line with greater purchasing power as a Multi Academy Trust;
- Further develop a Trust IT strategy to support our focus on teaching and learning across the Trust;
- Create and develop a talent pool across the Trust to minimise the effect of staff turbulence.

Funds held as custodian trustee on behalf of others

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

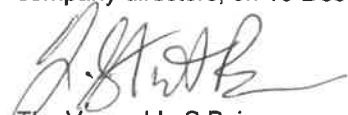
Auditor

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, 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 10 December 2018 and signed on its behalf by:



The Venerable S Bain

Chair

DAYSPRING TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Dayspring 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 also have delegated powers from the Board for close scrutiny of financial systems and internal audit. These bodies have responsibility 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 R P Thorndyke	6	6
Rev D Brooke (Resigned 26 January 2018)	3	3
Mr D M Robinson	5	6
Mrs C Rayner (Appointed 7 March 2018)	3	3
Mrs E Miller (Appointed 7 March 2018)	3	3

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.

One of our Directors resigned in the autumn term after several years in office, being heavily involved in the formation of the Trust and having an active part in its early development. The Board was strengthened later in the year by the successful appointment of a further two Directors with skills and expertise in the fields of school improvement, safeguarding and children's welfare.

One particular challenge was to ensure that the academy within our trust, that joined due to being in Special Measures, continued to be challenged and supported with strong governance and strategic leadership. In September 2017, Ian Ramsey CE Academy was inspected and judged to be "Good" in its overall effectiveness and also in all 4 separate judgments in its first inspection. Ofsted reported that 'the Executive Headteacher and Head of School provide strong leadership. Their high expectations ensure that pupils achieve increasingly well from their starting points and that 'members of the Board of Trustees know their school well. They provide strong support and challenge for the school's leaders'.

There have been no changes to the Members of the Trust this academic year, however the Trust Board are seeking to increase the number of Members to five, as outlined within the Articles of Memorandum. The Board are also seeking to recruit a Director with specific financial skills to complement the skill and expertise already in existence.

DAYSPRING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The Directors are aware of their responsibilities to provide high quality educational outcomes for our pupils as well as the following priorities:

- 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.

The Board of Trustees held a Trust Training Day in June 2018, attended by 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 financial procurement leading to Trust-wide savings, and the journey leading to the achievement of an outstanding Ofsted inspection at both academies.

The Trust is at a crucial point in its development and is now actively seeking to grow. This plan for growth has been given approval in principle by the Regional Schools Commissioner whose team visited Head Office in October 2018. The next steps will be to explore options further and then to put forward a formal proposal to the RSC, having conducted a due diligence.

The Trust Board have commenced a review of the effectiveness of its Academy Councils this academic year in preparation for such growth and this will continue into the next academic year.

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 Trust Board
- 3 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, sub-groups have met 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.

DAYSPRING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

There were three meetings of the Academy Council during this academic year. Attendance at meetings during the period (1 September 2017 – 31 August 2018) was:

Venerable Bede Academy Council

	Meetings Attended	Out of a Possible
Mr R Thorndyke (Director and chair)	3	3
Mr P Russell (Director)	3	3
Rev D Tolhurst (Appointed)	2	3
Mrs P Davison (Appointed)	2	3
Mrs E Gray (Appointed) * Resigned July 2018	3	3
Mr P Young (Appointed) * Resigned July 2018	2	3
Mrs D Outen (Staff) * Resigned July 2018	1	3
Mr D Gilley (Parent) * Resigned July 2018	1	3
Mrs K Jones (Parent) * Resigned July 2018	2	2
Mr D Airey (Headteacher)	3	3

Ian Ramsey Academy Council

	Meetings Attended	Out of a Possible
Mr N Williams (Director and Chair)	3	3
Rev D Brooke (Director) * Resigned January 2018	1	3
Mr D Robinson (Director)	3	3
Mr J Sheil (Appointed)	2	3
Revd M Anderson (Appointed)	1	3
Mrs V Hall (Appointed)	2	3
Mrs B Miller (Appointed)	3	3
Mrs M Neish (Parent)	2	3
Ms K Dack (Staff)	0	3
Mr A Watt	3	3
Mr B Janes (Headteacher)	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

DAYSPRING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The Finance and General Purposes Committee is a sub-committee of the Board of Trustees. Its purpose is to consider and recommend to the Trust 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 2017 – 31 August 2018) was:

Trustees	Meetings attended	Out of possible
The Venerable S Bain (Chair)	5	6
Mr C N Williams (Vice Chair)	6	6
Rev D Tolhurst	5	6
Mrs B Jones	5	6

The Executive Headteacher, Business Manager and Headteachers 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.

- to provide effective challenge on proposed spending
- to support each academy where unexpected resources have been required
- to effectively manage funding whilst applying the teachers national pay award
- 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.

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:

- 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
- Regular scrutiny of spends at each academy

DAYSPRING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 – 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees 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 2017 – 31 August 2018 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.

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 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 Trustees' financial responsibilities.

DAYSRING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Three internal assurance visits have been undertaken during the period 1 September 2017 – 31 August 2018 and there were no 'high risk' matters identified in any review.

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

- Ensure capitalisation of assets is undertaken
- Ensure approval for the purchase of goods and approval for payment of invoice is obtained
- Review of all monthly payroll control accounts
- Checks at each payment run to ensure legitimacy of supplier and payment
- Checks on reconciliation of bank accounts
- Checks on changes to staffing details
- Review of bank reconciliations
- Review of credit card spend
- Annual check on teachers' pensions
- Review of management reports to Trust Board

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 2017 - 31 August 2018, 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
- Self review undertaken by Accounting Officer via regular meetings with Executive Business Manager

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 10 December 2018 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 2018

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

I confirm that I and the academy trust'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 2017.

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



Mrs G A Booth
Accounting Officer

10 December 2018

DAYSPRING TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees (who 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 & 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 members of the board of trustees on 10 December 2018 and signed on its behalf by:



The Venerable S Bain
Chair

DAYSPRING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAYSPRING TRUST FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the accounts of Dayspring Trust for the year ended 31 August 2018 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 2017 to 2018 issued by the Education & 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 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2017 to 2018.

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.

DAYSPRING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

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.

Auditor's responsibilities for the audit of the accounts

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.

DAYSPRING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

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

Baldwins

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

19/12/18

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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 & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 31 August 2018 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by 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 & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 to 31 August 2018 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

Dated:19/12/18.....

DAYSRING TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2018 £	Total 2017 £
Income and endowments from:						
Donations and capital grants	3	-	-	41,109	41,109	154,923
Charitable activities:						
- Funding for educational operations	4	236,827	10,321,145	-	10,557,972	10,235,256
Other trading activities	5	305,533	-	-	305,533	426,552
Investments	6	1,782	-	-	1,782	1,480
Total		544,142	10,321,145	41,109	10,906,396	10,818,211
Expenditure on:						
Raising funds	7	494,665	-	-	494,665	506,070
Charitable activities:						
- Educational operations	9	2,967	10,738,391	195,353	10,936,711	10,819,363
Total	7	497,632	10,738,391	195,353	11,431,376	11,325,433
Net income/(expenditure)		46,510	(417,246)	(154,244)	(524,980)	(507,222)
Transfers between funds	18	-	(49,823)	49,823	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	20	-	658,000	-	658,000	1,533,000
Net movement in funds		46,510	190,931	(104,421)	133,020	1,025,778
Reconciliation of funds						
Total funds brought forward		489,313	(1,492,487)	349,123	(654,051)	(1,679,829)
Total funds carried forward		535,823	(1,301,556)	244,702	(521,031)	(654,051)

DAYSRING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2017		Funds	General	Fixed asset	2017
	Notes	£	£	£	£
Income and endowments from:					
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
Total		583,967	10,079,321	154,923	10,818,211
Expenditure on:					
Raising funds	7	506,070	-	-	506,070
Charitable activities:					
- Educational operations	9	1,660	10,558,866	258,837	10,819,363
Total	7	507,730	10,558,866	258,837	11,325,433
Net income/(expenditure)		76,237	(479,545)	(103,914)	(507,222)
Transfers between funds	18	-	(17,152)	17,152	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	20	-	1,533,000	-	1,533,000
Net movement in funds		76,237	1,036,303	(86,762)	1,025,778
Reconciliation of funds					
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)


DAYSRING TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Intangible assets	13		4,950		4,950
Tangible assets	14		206,539		255,865
			<u>211,489</u>		<u>260,815</u>
Current assets					
Debtors	15	428,437		378,323	
Cash at bank and in hand		1,876,824		1,678,688	
		<u>2,305,261</u>		<u>2,057,011</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(1,542,781)		(1,076,877)	
Net current assets			<u>762,480</u>		<u>980,134</u>
Net assets excluding pension liability			<u>973,969</u>		<u>1,240,949</u>
Defined benefit pension scheme liability	20		(1,495,000)		(1,895,000)
Net assets			<u>(521,031)</u>		<u>(654,051)</u>
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			244,702		349,123
- Restricted income funds			193,444		402,513
- Pension reserve			(1,495,000)		(1,895,000)
Total restricted funds			<u>(1,056,854)</u>		<u>(1,143,364)</u>
Unrestricted income funds	18		<u>535,823</u>		<u>489,313</u>
Total funds			<u>(521,031)</u>		<u>(654,051)</u>

The accounts on pages 29 to 53 were approved by the trustees and authorised for issue on 10 December 2018 and are signed on their behalf by:


The Venerable S Bain
Chair

Company Number 08310825

DAYSPRING TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	21		301,273		(224,843)
Cash flows from investing activities					
Dividends, interest and rents from investments		1,782		1,480	
Capital grants from DfE Group		41,109		154,923	
Purchase of intangible fixed assets		-		(4,950)	
Purchase of tangible fixed assets		(146,028)		(85,828)	
Net cash (used in)/provided by investing activities			(103,137)		65,625
Net increase/(decrease) in cash and cash equivalents in the reporting period			198,136		(159,218)
Cash and cash equivalents at beginning of the year			1,678,688		1,837,906
Cash and cash equivalents at end of the year			1,876,824		1,678,688
Relating to:					
Bank and cash balances			1,788,400		1,597,041
Short term deposits			88,424		81,647

DAYSRING TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 to 2018 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

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 2018

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.

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

DAYSRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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 other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	over 50 years
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.

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.

DAYSRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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 or services it must provide.

1.8 Leased assets

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.

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 projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate..

DAYSPRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

The LGPS is a funded multi-employer 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.

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.

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 20, 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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

DAYSRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

3	Donations and capital grants	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
	Capital grants	-	41,109	41,109	154,923
4					
4	Funding for the academy trust's educational operations	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
	DfE / ESFA grants				
	General annual grant (GAG)	-	9,727,272	9,727,272	9,526,424
	Other DfE group grants	-	479,379	479,379	506,610
		-	10,206,651	10,206,651	10,033,034
	Other government grants				
	Local authority grants	-	93,238	93,238	46,287
	Other funding				
	Catering income	203,215	-	203,215	155,935
	Other incoming resources	33,612	21,256	54,868	-
		236,827	21,256	258,083	155,935
	Total funding	236,827	10,321,145	10,557,972	10,235,256
5					
5	Other trading activities	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
	Hire of facilities	14,644	-	14,644	19,052
	Catering income	1,868	-	1,868	1,310
	Educational trips	188,535	-	188,535	180,774
	Other income	100,486	-	100,486	225,416
		305,533	-	305,533	426,552

DAYSPRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Short term deposits	1,782	-	1,782	1,480

7 Expenditure

	Staff costs £	Non Pay Expenditure		Total 2018 £	Total 2017 £
		Premises £	Other £		
Expenditure on raising funds					
- Direct costs	91,228	-	403,437	494,665	506,070
Academy's educational operations					
- Direct costs	7,308,318	-	860,177	8,168,495	8,095,010
- Allocated support costs	1,574,016	840,277	353,923	2,768,216	2,724,353
	8,973,562	840,277	1,617,537	11,431,376	11,325,433

Net income/(expenditure) for the year includes:

	2018 £	2017 £
Fees payable to auditor for:		
- Audit	11,000	11,000
- Other services	7,000	7,000
Operating lease rentals	35,803	24,945
Depreciation of tangible fixed assets	195,353	258,837
Net interest on defined benefit pension liability	44,000	60,000

8 Central services and GAG pooling

The academy trust pooled GAG resources during the year, with part of the funding for each school covering central services consisting of:

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

DAYSRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Direct costs				
Educational operations	2,967	8,165,528	8,168,495	8,095,010
Support costs				
Educational operations	-	2,768,216	2,768,216	2,724,353
	<u>2,967</u>	<u>10,933,744</u>	<u>10,936,711</u>	<u>10,819,363</u>

	2018 £	2017 £
Analysis of support costs		
Support staff costs	1,574,016	1,490,345
Depreciation	195,353	258,837
Premises costs	644,924	554,700
Other support costs	255,214	347,330
Governance costs	98,709	73,141
	<u>2,768,216</u>	<u>2,724,353</u>

10 Staff

Staff costs

Staff costs during the year were:

	2018 £	2017 £
Wages and salaries	6,420,322	6,549,499
Social security costs	619,902	598,195
Pension costs	1,268,015	1,332,508
Staff costs	<u>8,308,239</u>	<u>8,480,202</u>
Agency staff costs	631,470	377,664
Staff restructuring costs	-	32,540
Staff development and other staff costs	33,853	44,377
Total staff expenditure	<u>8,973,562</u>	<u>8,934,783</u>

Staff restructuring costs comprise:

Redundancy payments	-	32,540
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DAYSRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff

(Continued)

Staff numbers

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

	2018 Number	2017 Number
Teachers	141	131
Administration and support	105	111
Management	14	16
	<u>260</u>	<u>258</u>

Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	4	2
£70,001 - £80,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£120,001 - £130,000	1	1
	<u>1</u>	<u>1</u>

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 £1,400,932 (2017: £1,013,253).

11 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	£125,001 - £130,000 (2017: £120,001 - £125,000)
Employer's pension contributions	£20,001 - £25,000 (2017: £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.

DAYSRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

12 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 2018 was £3,500 (2017: £3,850).

13 Intangible fixed assets

	Computer software £
Cost	
At 1 September 2017 and at 31 August 2018	4,950
Carrying amount	
At 31 August 2018	4,950
At 31 August 2017	4,950

14 Tangible fixed assets

	Land and buildings £	Computer equipment £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 September 2017	-	619,374	348,864	968,238
Additions	10,730	122,285	13,013	146,028
At 31 August 2018	10,730	741,659	361,877	1,114,266
Depreciation				
At 1 September 2017	-	474,570	237,803	712,373
Charge for the year	36	113,080	82,238	195,354
At 31 August 2018	36	587,650	320,041	907,727
Net book value				
At 31 August 2018	10,694	154,009	41,836	206,539
At 31 August 2017	-	144,804	111,061	255,865

DAYSPRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

15 Debtors	2018	2017
	£	£
Trade debtors	23,058	1,147
VAT recoverable	106,484	99,581
Prepayments and accrued income	298,895	277,595
	<u>428,437</u>	<u>378,323</u>
16 Creditors: amounts falling due within one year	2018	2017
	£	£
Trade creditors	238,305	288,800
Other taxation and social security	231,469	151,443
Other creditors	816,692	516,672
Accruals and deferred income	256,315	119,962
	<u>1,542,781</u>	<u>1,076,877</u>
17 Deferred income	2018	2017
	£	£
Deferred income is included within:		
Creditors due within one year	<u>97,233</u>	<u>30,489</u>
Deferred income at 1 September 2017	30,489	9,933
Released from previous years	(30,489)	(9,933)
Resources deferred in the year	<u>97,233</u>	<u>30,489</u>
Deferred income at 31 August 2018	<u><u>97,233</u></u>	<u><u>30,489</u></u>

Deferred income includes receipts in advance for trips taking place after the year end and rates income received in advance.

DAYSRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	402,513	9,727,272	(9,886,518)	(49,823)	193,444
Other DfE / ESFA grants	-	479,379	(479,379)	-	-
Other government grants	-	93,238	(93,238)	-	-
Other restricted funds	-	21,256	(21,256)	-	-
Pension reserve	(1,895,000)	-	(258,000)	658,000	(1,495,000)
	<u>(1,492,487)</u>	<u>10,321,145</u>	<u>(10,738,391)</u>	<u>608,177</u>	<u>(1,301,556)</u>
Restricted fixed asset funds					
Transfer on conversion	122,784	-	(104,162)	-	18,622
DfE group capital grants	129,779	41,109	(26,435)	(36,842)	107,611
Capital expenditure from GAG	96,560	-	(64,756)	86,665	118,469
	<u>349,123</u>	<u>41,109</u>	<u>(195,353)</u>	<u>49,823</u>	<u>244,702</u>
Total restricted funds	<u>(1,143,364)</u>	<u>10,362,254</u>	<u>(10,933,744)</u>	<u>658,000</u>	<u>(1,056,854)</u>
Unrestricted funds					
General funds	489,313	544,142	(497,632)	-	535,823
Total funds	<u>(654,051)</u>	<u>10,906,396</u>	<u>(11,431,376)</u>	<u>658,000</u>	<u>(521,031)</u>

DAYSPRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 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 2018.

Other DfE/ESFA grants include pupil premium and year 7 catch up funding received.

Other government grants includes funding for pupils with special educational needs and pupil premium funding received from the local authority.

DfE/ESFA Capital Grants consist of Devolved Formula Capital 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 £49,823 between the restricted fixed asset fund and the GAG fund is in respect of revenue expenditure funded by devolved capital grants and fixed assets funded by GAG.

The academy has general restricted and unrestricted funds of £729,267 at 31 August 2018.

DAYSPRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	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)	-	-
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>
Restricted fixed asset funds					
Transfer on conversion	313,784	-	(191,000)	-	122,784
DfE group 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>
Total restricted funds	<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>
Unrestricted funds					
General funds	413,076	583,967	(507,730)	-	489,313
Total funds	<u>(1,679,829)</u>	<u>10,818,211</u>	<u>(11,325,433)</u>	<u>1,533,000</u>	<u>(654,051)</u>

Total funds analysis by academy

	2018 £	2017 £
Fund balances at 31 August 2018 were allocated as follows:		
The Venerable Bede Church of England Academy	178,218	(245,093)
Ian Ramsey Church of England Academy	280,365	1,184,928
Central services and GAG pool	270,684	(48,009)
Total before fixed assets fund and pension reserve	<u>729,267</u>	<u>891,826</u>
Restricted fixed asset fund	244,702	349,123
Pension reserve	(1,495,000)	(1,895,000)
Total funds	<u>(521,031)</u>	<u>(654,051)</u>

DAYSRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

The in-year budget deficit relating to Venerable Bede CE Academy was due to historic falling rolls. For the last two years, admission numbers have been increasing by approximately 50 pupils per year. Additional staff and resources have been required to meet the needs of the increased numbers, however the additional funding based on pupil numbers has not been received until the following academic year. The academy is now over-subscribed with an expected full cohort of year 7 pupils for the next two years, reaching full PAN. Continued cost efficiencies will be sought through a review of staff absence and associated agency supply costs, with a view to reducing overall spend in this area. In addition, further savings will be sought through staff turnover. The trust has also started pooling GAG and sharing resources to assist with the management of resources. This is reflected in the summary above, where all GAG funds are now allocated to central services and GAG.

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
	£	£	£	£	£
The Venerable Bede Church of England Academy	3,249,153	577,042	403,967	557,561	4,787,723
Ian Ramsey Church of England Academy	3,964,226	634,917	436,709	666,726	5,702,578
Central services	186,167	148,057	19,501	133,997	487,722
	<u>7,399,546</u>	<u>1,360,016</u>	<u>860,177</u>	<u>1,358,284</u>	<u>10,978,023</u>

19 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds:		Total Funds
	£	General	Fixed asset	£
		£	£	
Fund balances at 31 August 2018 are represented by:				
Intangible fixed assets	-	-	4,950	4,950
Tangible fixed assets	-	-	206,539	206,539
Current assets	469,502	1,802,546	33,213	2,305,261
Creditors falling due within one year	66,321	(1,609,102)	-	(1,542,781)
Defined benefit pension liability	-	(1,495,000)	-	(1,495,000)
Total net assets	<u>535,823</u>	<u>(1,301,556)</u>	<u>244,702</u>	<u>(521,031)</u>

DAYSPRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

19 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2017 are represented by:				
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)
Total net assets	489,313	(1,492,487)	349,123	(654,051)

20 Pension 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 £202,195 (2017: £190,199) were payable to the schemes at 31 August 2018 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' 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.

DAYSRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Pension and similar obligations

(Continued)

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 September 2019.

The employer's pension costs paid to the TPS in the period amounted to £749,992 (2017: £772,454).

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

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

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 5.5 - 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £287,000 (2017: £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	2018 £	2017 £
Employer's contributions	290,000	285,000
Employees' contributions	92,000	87,000
Total contributions	382,000	372,000

Principal actuarial assumptions	2018	2018	2017	2017
	% IR	% VB	% IR	% VB
Rate of increase in salaries	3.0	3.5	3.0	3.5
Rate of increase for pensions in payment/ inflation	2.0	2.0	2.0	2.0
Discount rate for scheme liabilities	2.8	2.8	2.5	2.5
Inflation assumption (CPI)	2.0	2.0	2.0	2.0

DAYSPRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

20 Pension and similar obligations

(Continued)

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

	2018 Years IR	2018 Years VB	2017 Years IR	2017 Years VB
Retiring today				
- Males	22.9	22.9	22.8	22.8
- Females	25.1	25.1	24.9	26.3
Retiring in 20 years				
- Males	25.0	26.4	25.0	25.0
- Females	27.3	28.7	27.2	28.6

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

	2018 £	2017 £
Discount rate + 0.1%	6,630,000	6,359,000
Discount rate - 0.1%	6,954,000	6,671,000
Mortality assumption + 1 year	6,596,000	6,320,000
Mortality assumption - 1 year	6,984,000	6,708,000
CPI rate + 0.1%	6,888,000	6,608,000
CPI rate - 0.1%	6,693,000	6,420,000

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

	2018 Fair value £	2017 Fair value £
Equities	3,703,375	3,323,158
Government bonds	117,800	98,904
Corporate bonds	329,840	293,722
Cash	487,790	365,400
Property	431,275	361,488
Other assets	224,920	175,328
Total market value of assets	5,295,000	4,618,000

The actual return on scheme assets was £320,000 (2017: £952,000).

DAYSPRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

20 Pension and similar obligations	(Continued)	
Amount recognised in the Statement of Financial Activities	2018	2017
	£	£
Current service cost	504,000	563,000
Interest income	(120,000)	(70,000)
Interest cost	164,000	130,000
Total operating charge	548,000	623,000
Changes in the present value of defined benefit obligations	2018	2017
	£	£
At 1 September 2017	6,513,000	6,474,000
Current service cost	504,000	563,000
Interest cost	164,000	130,000
Employee contributions	92,000	87,000
Actuarial gain	(458,000)	(651,000)
Benefits paid	(25,000)	(90,000)
At 31 August 2018	6,790,000	6,513,000
Changes in the fair value of the academy trust's share of scheme assets	2018	2017
	£	£
At 1 September 2017	4,618,000	3,384,000
Interest income	120,000	70,000
Actuarial gain	200,000	882,000
Employer contributions	290,000	285,000
Employee contributions	92,000	87,000
Benefits paid	(25,000)	(90,000)
At 31 August 2018	5,295,000	4,618,000

DAYSPRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

21 Reconciliation of net expenditure to net cash flow from operating activities	2018	2017
	£	£
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(524,980)	(507,222)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(41,109)	(154,923)
Investment income receivable	(1,782)	(1,480)
Defined benefit pension costs less contributions payable	214,000	278,000
Defined benefit pension net finance cost	44,000	60,000
Depreciation of tangible fixed assets	195,354	258,837
(Increase)/decrease in debtors	(50,114)	58,601
Increase/(decrease) in creditors	465,904	(216,656)
Net cash provided by/(used in) operating activities	301,273	(224,843)

22 Commitments under operating leases

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

	2018	2017
	£	£
Amounts due within one year	13,043	17,381
Amounts due in two and five years	-	15,212
	<u>13,043</u>	<u>32,593</u>

DAYSPRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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.