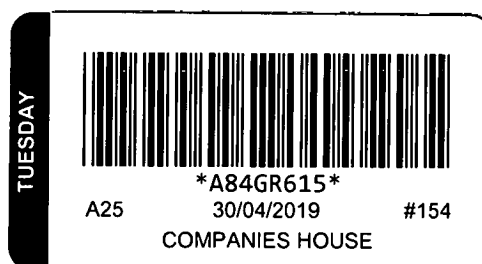


Company Registration No. 08382383 (England and Wales)

THE DELTA EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018



THE DELTA EDUCATION TRUST

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THE DELTA EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

A Middle
I Carter
L Symonds (Member until 28 January 2018)
S Watkins (Member until 28 January 2018)
V Arbon
S Mascal
C Bailey

Trustees

A Middle (Chair of Trustees)
J Perry (CEO & Accounting Officer)
N Soloman
A Baker
K Carter
L Symonds
S Watkins
M D Bickford
L Keane
N Wilkins

Senior management team

J Perry	- CEO and Accounting Officer
J White	- Executive Headteacher
F Penn-Barwell	- Director, SIG
R Arnold	- Headteacher, TQS
M McLoughlin-Parker	- Headteacher, CSS
S Robertson	- Deputy Head, TQS
N Clark	- Deputy Head, CSS
D O'Neill	- Acting Deputy Head, CSS
V Glasgow	- Assistant Head, TQS
J Curtis	- Assistant Head, TQS
L Wilkins	- Assistant Head, TQS
J Gimson	- Assistant Head, TQS
J Clifford	- Chief Financial Officer

Company secretary

Ms J Clifford

Company registration number

08382383 (England and Wales)

Registered office

160 Herbert Avenue
Parkstone
POOLE
BH12 4HU

Academies operated

The Quay School (TQS)
Coppice Springs School (CSS)

Location

Poole
Basingstoke

Principal

R Arnold
M McLoughlin-Parker

THE DELTA EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

Wilkins Kennedy Audit Services
3-4 Eastwood Court
Broadwater Road
Romsey
Hampshire
SO51 8JJ

Bankers

Lloyds Bank plc
101 High Street
Poole
Dorset
BH15 1AJ

Solicitors

Eversheds Legal Services Ltd
115 Colmore Row
Birmingham
B3 3AL

THE DELTA EDUCATION TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who are also directors of the charity for purposes of the Companies Act) present their annual report together with the financial statements and auditor's report of The Delta Education Trust (The Multi Academy) for the year ended 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, governance and management

Constitution

The 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 Trust. The Trust was incorporated on 30th January 2013 as The Quay School Academy Trust and during the 2013/14 Academic school year converted to Multi-Academy status and changed its name to The Delta Education Trust on the 3rd of July 2014.

The Trust governs The Quay School in Poole, which is the lead Academy in the Multi-Academy Trust and The Coppice Spring School in Basingstoke which was converted to an Academy on the 1st September 2014. The trust is also responsible for the Sigma Teaching School which was added as an additional entity of the Trust in August 2016.

The Trustees act as the Trustees for the charitable activities of The Delta Education Trust and are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Delta Education Trust. The Governors are appointed by the Board and govern the individual schools through a Local Governing Body at Trust Committee level and are not necessarily directors of the Trust.

Members' liability

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

Trustees' indemnities

Since the incorporation of the charitable company on 30th January 2013 the Trustees (Directors) have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. The limit of this indemnity is £2,000,000.

Method of recruitment and appointment or election of trustees

Trustees are appointed for a four year period, save that this time limit shall not apply to the Chief Executive Officer (CEO). Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

When appointing new Trustees, the Board will take into consideration, the existing skills and experience of the current Trust board in order to ensure that the necessary skills to contribute to the Trusts development.

Policies and procedures adopted for the induction and training of trustees

The training and induction provided to new Trustees is dependent on their existing experience and skills. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and any other necessary documents that they will need to undertake their role as a Trustee. Induction of new Trustees tends to be done on an informal basis and tailored specifically to the individual. The Trusts' own Sigma Teaching School provides Governance training and all our Trustees have access to utilise this offer.

The CEO and Executive Head meet with any new Trustees and discuss the strategic direction of the organisation and explain the scheme of delegation. It is an expectation that all new Trustees understand and adhere to the seven principles of public life and that they complete a Skills Matrix questionnaire.

THE DELTA EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Organisational structure

The Trustees of the Trust are responsible for setting policies to be used within the Trust. Each of the five committees (Finance, Audit, Pay Committee and the two School Local Governing Bodies) are made up of a number of trustees. Each committee has its own Terms of Reference which helps to aid the policy making process and outlines the specific responsibilities of each committee.

The organisation structure consists of five Members. The Leadership Team consists of the Chief Executive Officer (CEO & Accounting Officer), the Executive Headteacher, the Chief Financial Officer (CFO) and the Headteachers from both schools. The Senior Leadership Team consists of the Deputy Headteachers and the Assistant Headteachers. The Leadership Team control the Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. They are also responsible for the authorisation of spending within agreed budgets with some spending control being devolved to the Curriculum Leaders with limits set out within the Academy's Scheme of Delegation.

Arrangements for setting pay and remuneration of key management personnel

The Trust accepts its responsibility in assigning and setting pay for its key management staff which would include the Chief Executive Officer, Chief Financial Officer, Headteachers, Deputy Headteacher and Assistant head posts using the trusts' approved pay policy.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	1.00

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	-
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

It had been identified that The Academy Trust has connected organisations and related party relationships that have been declared and are taken into consideration when any decisions are made at Board level to avoid any impact this may have on the operating policies of the trust.

THE DELTA EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Objectives and activities

Objects and aims

The Trust's principal activity is to provide, for the public benefit, education for young people who are not accessing mainstream school. We aim to provide personalised learning opportunities in a creative and supportive environment where young people are encouraged to take responsibility for their learning and aim for success. We value our students and believe that they should have every chance to learn and develop their potential.

The Delta Education Trust believes that all individuals have rights and responsibilities to themselves and to others. This is based on the belief that all individuals are of value and should be given the opportunity to learn and develop potential. Our overarching aim is to enable young people to develop their full potential to lead a purposeful life.

Objectives, strategies and activities

Key Objectives:

- The provision of personalised, high quality education with flexible learning pathways
- The development of personal and social skills
- Partnership working with parents, schools and other agencies.
- The development of positive strategies to overcome barriers to learning
- Preparing our students well for the next stage of their education and for life in modern Britain

The Delta Education Trust schools provide a broad and balanced curriculum offer with flexible learning pathways to meet the needs of all students. Essentially, they do whatever it takes to enable students to succeed, make good choices and fully participate in modern British society.

Our schools offer personalised learning opportunities in a supportive and aspirational environment where young people are encouraged to take responsibility for their own learning. Our skilled and experienced staff inspire a love of learning and enable young people to develop confidence and achieve.

Emotional literacy is at the heart of inspirational learning communities.

Public benefit

The Trustees have considered the Charity Commissions guidance on Public Benefit in exercising their powers and duties. The key public benefit delivered by The Delta Education Trust is the maintenance and development of the high quality education provided by The Quay School and The Coppice Spring School to the young people of Poole and Hampshire and the surrounding councils.

In doing this the Trust ensures that the Schools not only offer a broadly-based academic education but aims to educate the whole individual. A very wide-range of extra-curricular activities, educational trips and visits are offered and undertaken.

Strategic report

Achievements and performance

The Trust ensures that schools make exceptional use of monitoring systems. As a result, progress is tracked closely, and any areas of underperformance are highlighted early. The individual schools have developed a series of intervention strategies which have proved to have a significant impact on student outcomes.

THE DELTA EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Key performance indicators

Key Performance Indicators - Year ended 31st August 2018

	The Quay School		The Coppice Spring School	
	2017/18	Previous Year 2016/17	2017/18	Previous Year 2016/17
Staff pay as a percentage of Total Expenditure	69%	77%	53%	74%
Teaching Staff as a percentage of Expenditure	60%	55%	39%	49%
Learning Support Staff as a percentage of Expenditure	13%	17%	10%	16%
Leadership Staff as a percentage of Expenditure	9%	18%	3%	14%
Expenditure as a percentage of Income	99%	98%	103%	120%
Average Teacher Cost	£40,880	£36,340	£42,466	£38,122
Staff FTE & Headcount				
Admin Staff	3.32 (5)	3.30 (5)	3.22 (4)	3.30 (4)
Catering Staff	- (0)	- (0)	1.47 (2)	1.50 (2)
Education Support Staff	11.92 (15)	14.70 (18)	12.26 (15)	9.10 (12)
Premises Staff	1.00 (1)	1.40 (2)	1.27 (2)	1.00 (1)
Teaching Staff	10.99 (13)	12.00 (13)	5.80 (6)	8.80 (9)
Instructors	11.10 (12)	8.20 (10)	4.80 (6)	3.20 (4)
Assistant Headteacher	3.00 (3)	3.00 (3)	- (0)	1.00 (1)
Deputy Headteacher	1.00 (1)	2.00 (2)	1.00 (1)	1.00 (1)
Headteacher	1.00 (1)	1.00 (1)	1.00 (1)	1.00 (1)
Other Expenditure as a percentage of Expenditure	22%	23%	44%	26%
APN	117	117	60	60
Average Pupil Count for Year 2017/18	123 105%	125 107%	58 97%	57 95%
Pupil to Teacher Ratio (PTR)	5:1	5:1	6:1	4:1
Pupil to Education Support Ratio	10:1	8:1	5:1	5:1
Average Class Sizes	7-8	7-8	6-7	6-7
PPA for Teachers	10%	10%	10%	10%

THE DELTA EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

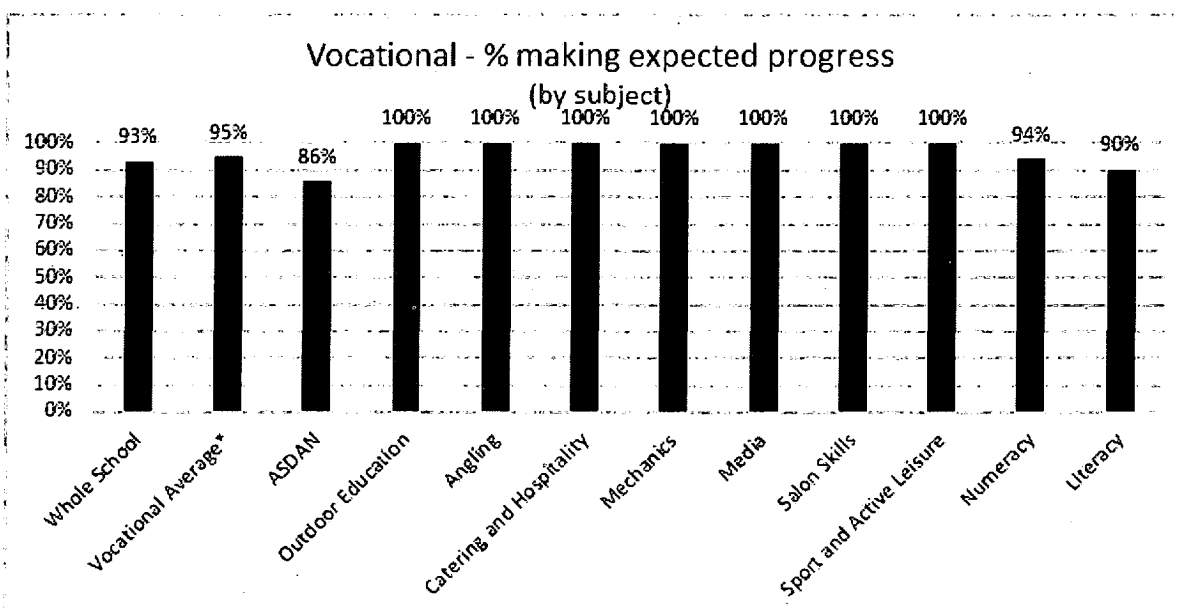
The Quay School

The Quay School is the leading Academy in the Multi-Academy Trust and has successfully completed its fifth Academic year since converting to an Academy in April 2013. It was judged 'OUTSTANDING' by Ofsted in March 2015.

The Quay School has four sites situated in Poole and Bournemouth. It provides 125 placements for students from across Poole, Bournemouth and Dorset of which are 68 Alternative provision places and 57 are Medical placements. It aims to meet the needs of secondary aged (11-16) boys and girls.

2017-18 Performance Summary

Vocational curriculum – pupil progress



THE DELTA EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Vocational curriculum – attainment

Qualifications (Vocational, Functional Skills and GCSEs)

- 3% (1) student achieved 9 qualifications
- 9% (3) students achieved at least 8 qualifications
- 12% (4) students achieved at least 7 qualifications
- 24% (8) students achieved at least 6 qualifications
- 44% (15) students achieved at least 5 qualifications
- 74% (25) students achieved at least 4 qualifications
- 97% (33) students achieved at least 3 qualifications

Vocational Qualifications

- 47 Vocational qualifications were achieved by 17 Year 11s
- 100% were at least Level 1 qualifications
- 13% of qualifications were at Level 1 diploma or Level 2

Vocational - Literacy Functional Skills

- 100% (17) of Year 11 leavers achieved an English functional skills qualification
- 65% (11) gained a minimum of Level 1
- 24% (4) gained Level 2
- 41% (7) gained Level 1
- 35% (6) gained an Entry Level 3

Vocational - Numeracy Functional Skills

- 100% (17) of Year 11 leavers achieved a Maths functional skills qualification
- 59% (10) gained a minimum of Level 1
- 6% (1) gained Level 2
- 53% (9) gained Level 1
- 41% (7) gained an Entry Level 3

Vocational - GCSE's

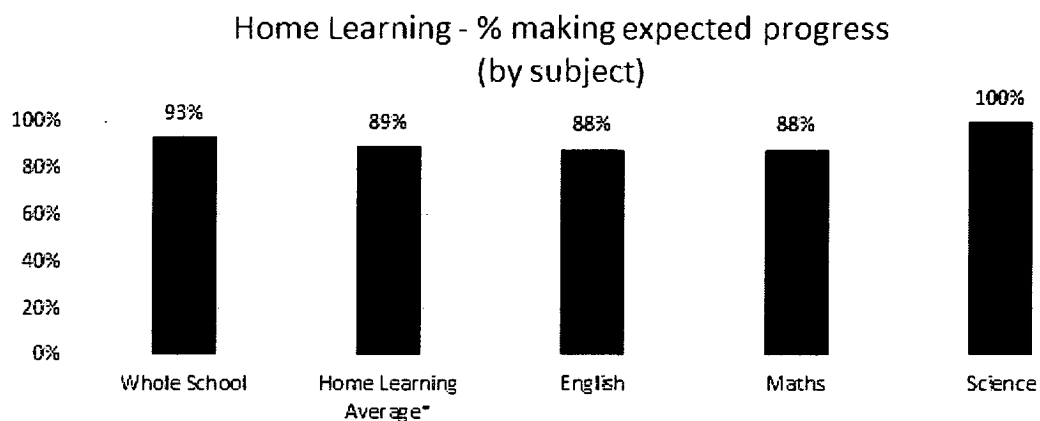
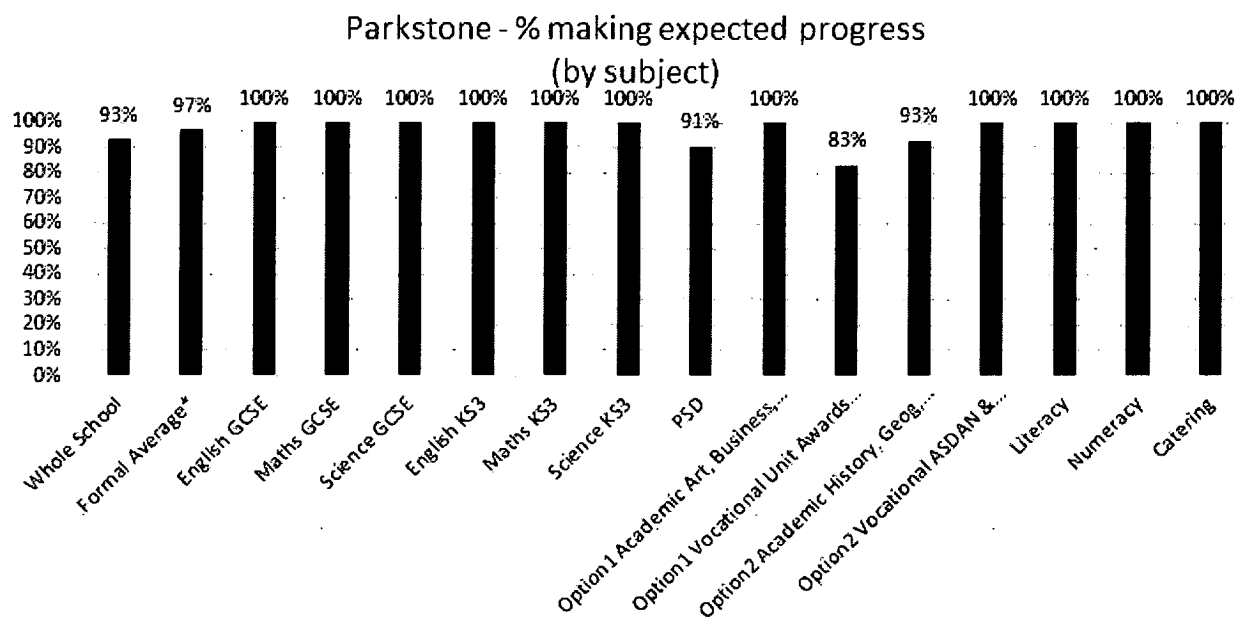
	At least GCSE Grade 1-3	GCSE Grade 4-9
English Language	100% (5/5)	20% (1/5)
English Literature	100% (1/1)	100% (1/1)
Maths	100% (5/5)	

THE DELTA EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Formal curriculum – pupil progress



THE DELTA EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Formal - attainment

Parkstone Base	At least GCSE Grade 1-3 or FS Lev 1	GCSE Grade 4-9 or FS Lev 2
English	89% (16/18)	11% (2/18)
Maths	100% (18/18)	33% (6/18)
BOTH English & Maths	89% (16/18)	
Science	92% (11/12)	
Option subjects:	100% (12/12)	33% (4/12)
Art	100% (4/4)	0% (0/4)
Eng Lit.	100% (2/2)	100 (2/2)
Geog.	100% (2/2)	0% (0/2)
Psych.	100% (3/3)	33% (1/3)
Business	100% (1/1)	100% (1/1)

Students gaining 5+ qualifications (GCSE Grade 1-3 or FS Lev 1) 37% (7)
 Students gaining 4+ qualifications (GCSE Grade 1-3 or FS Lev 1) 74% (14)
 Students gaining 3+ qualifications (GCSE Grade 1-3 or FS Lev 1) 89% (17)
 Students gaining 2+ qualifications (GCSE Grade 1-3 or FS Lev 1) 95% (18)

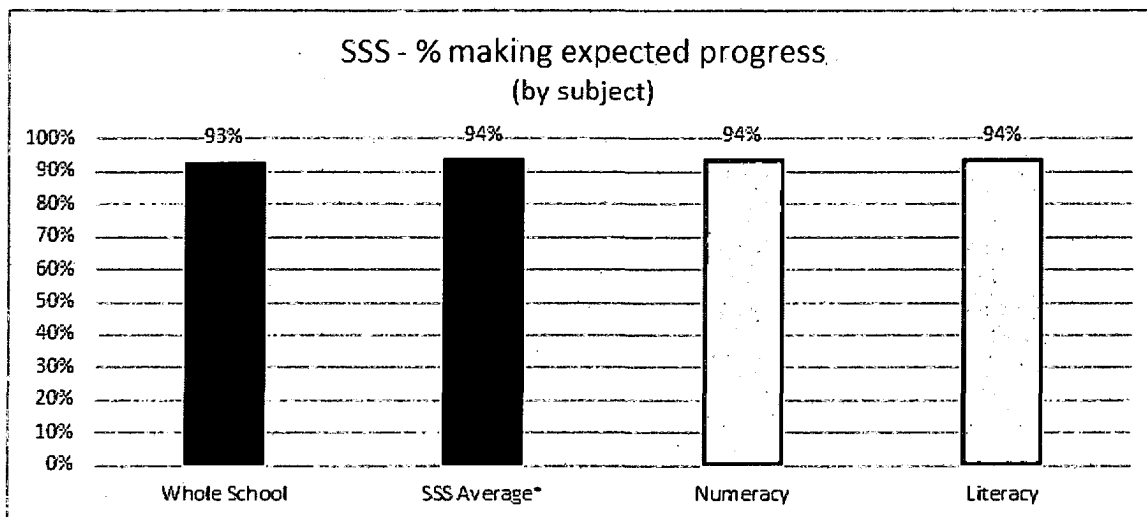
Home tuition	At least GCSE Grade 1-3 or FS Lev 1	GCSE Grade 4-9 or FS Lev 2
English	62% (5/8)	38% (3/8)
Maths	86% (6/7)	43% (3/8)
BOTH English & Maths	50% (4/8)	
Science	75% (3/4)	50% (2/4)
Option subjects:	100% (1/1)	
History		

THE DELTA EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Short Stay School – pupil progress



Short Stay School – attainment

Literacy Functional Skills (Entry Level 3) Reading and Writing

- 89% (25/28) passed the reading
- 86% (24/28) passed the writing
- 79% (22/28) passed both the Reading and Writing Papers

Numeracy Functional Skills (Entry Level 3)

- 77% (23/30) passed the paper

Numeracy Functional Skills (Level 1)

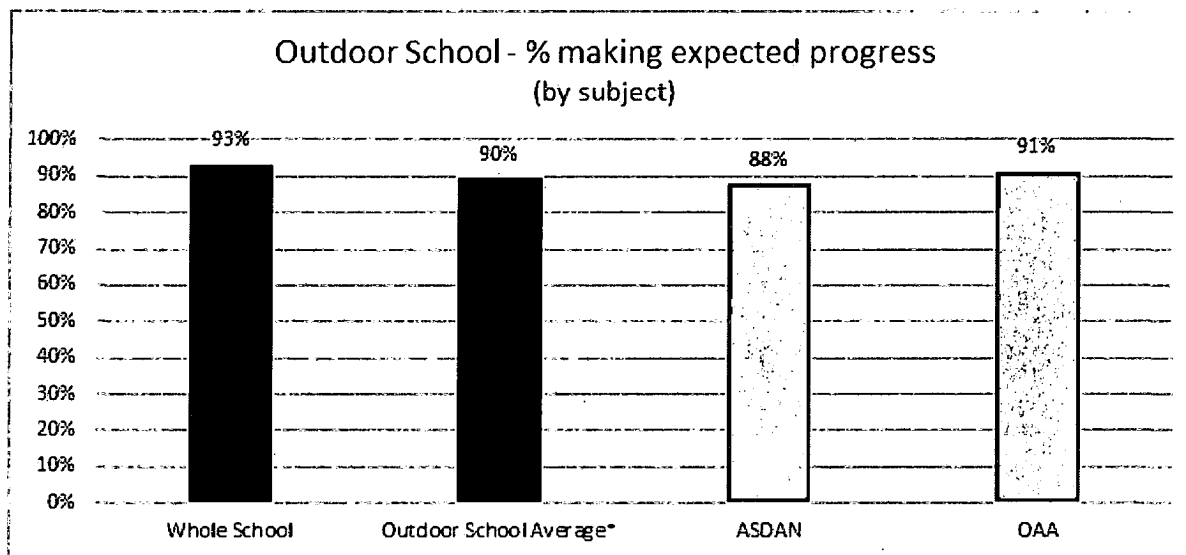
- 25% (1/4) passed the paper

THE DELTA EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Outdoor School – pupil progress



Outdoor School – attainment

BSUPA (British Stand Up Paddle Association) Level 1 Ready to Ride Certificate - 83% (33/40)

NCFE Level 1 Award in Personal development for the outdoor industry – 100% (7/7)

5 students achieved the ASDAN Bronze Award

2 continue to work towards their Silver Award

79%-91% achieved the following AQA units:

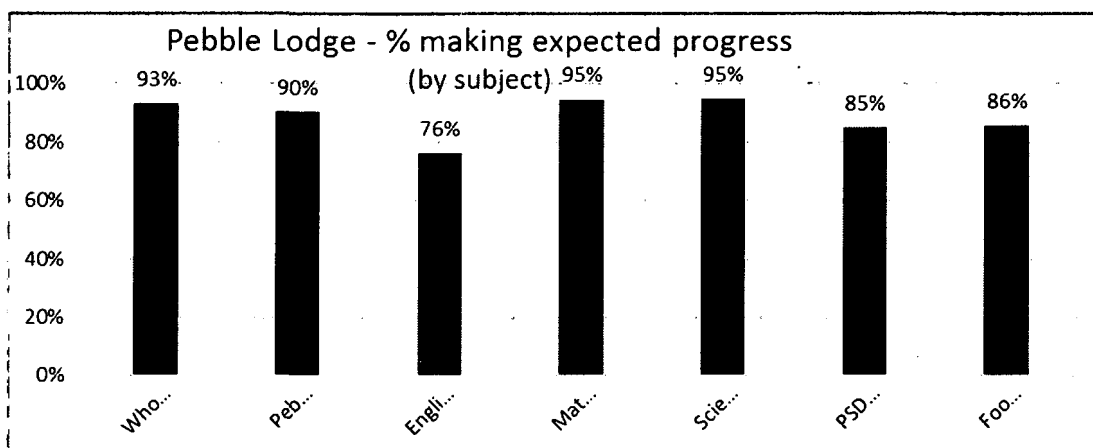
- AQA Unit CE4914 Introduction to Rock Climbing
- AQA Unit 76356 Introduction to Abseiling
- AQA Unit 73920 Introduction to Kayaking
- AQA Unit 77626 Introduction to Dinghy Sailing
- AQA Unit 92102 Introduction to Mountain Biking
- AQA Unit 78101 Introduction to Archery
- AQA Unit 71867 Introduction to Skiing

THE DELTA EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Pebble Lodge – pupil progress



Pebble Lodge – attainment

Context – Most students at Pebble Lodge do not take formal exams with TQS as they are with us short term and are very unwell.

Functional Skills – Numeracy – 83% (7/8)

GCSE Exams - One student achieved a grade 1 in Maths and another student achieved a grade 4 for Maths and a grade 3 for English language

AQA Unit Awards

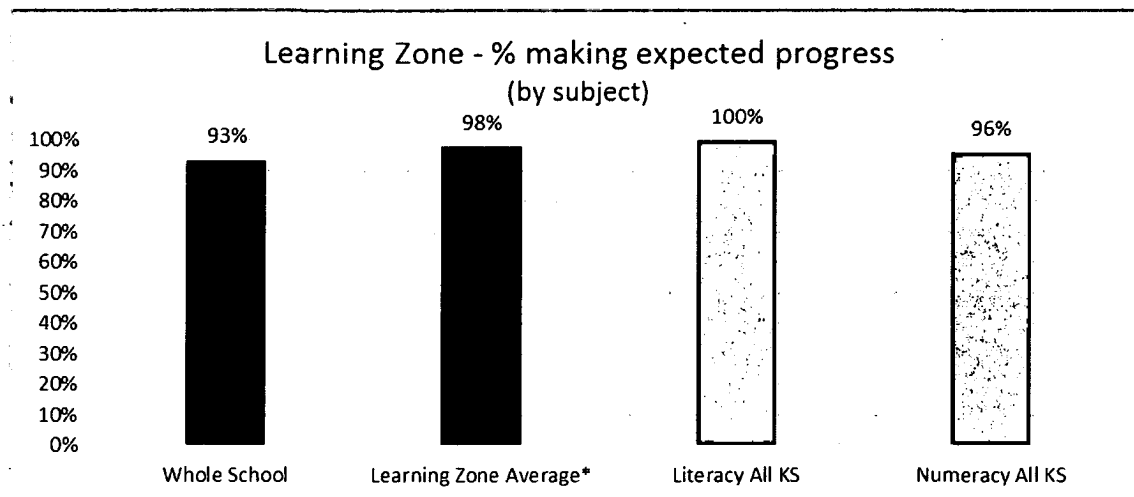
- PSD - 4 AQA units awarded
- Hair and Beauty - 5 AQA units awarded
- Food Technology - 55 AQA units awarded
- Science - 3 AQA units awarded
- Textiles - 29 AQA units awarded

THE DELTA EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Learning Zone – pupil progress



Learning Zone – attainment

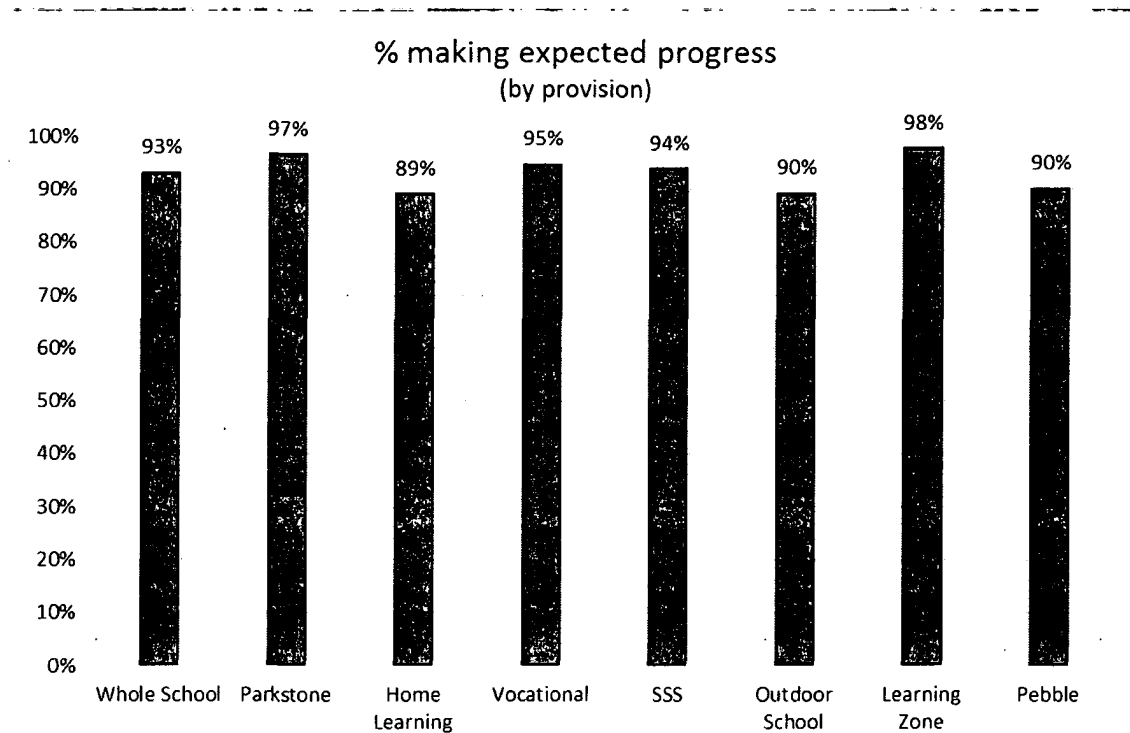
Context – Pupils rarely take exams at the Learning Zone due to them only being there for a short periods of time.

THE DELTA EDUCATION TRUST

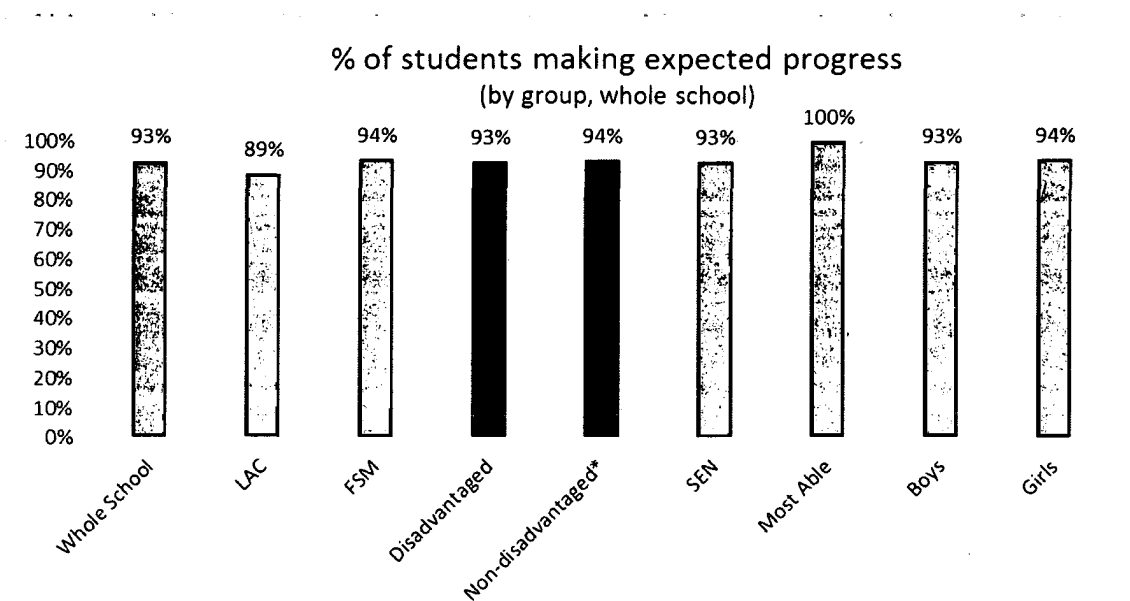
TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Pupil progress (by provision)



Progress of groups (across all subjects)



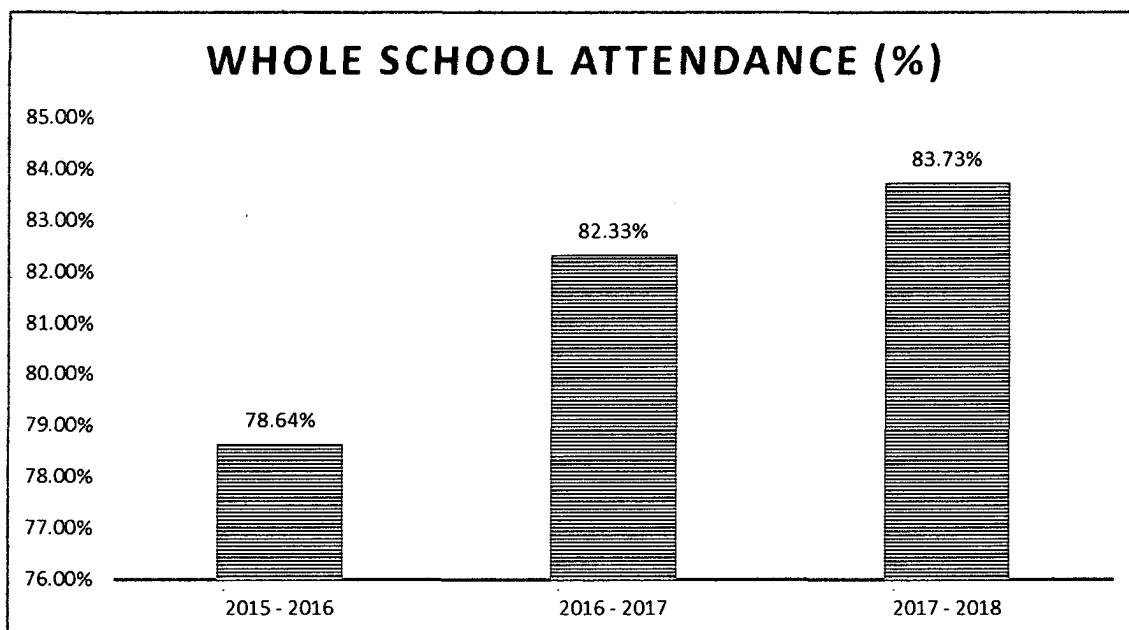
THE DELTA EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Attendance

Whole school attendance for the 17/18 year was slightly up on previous years now at 84%.



The Coppice Spring School

Coppice Spring School is situated in north Hampshire, on the southern side of Basingstoke. It provides placements for pupils from across Hampshire and West Berkshire. It aims to meet the needs of secondary aged (11-16) boys and girls who have difficulty managing social interactions, positive relationships and recognising and regulating their emotions.

Due to an identified increase in the proportion of pupils and incoming referrals with a diagnosis (or identified traits) of an Autistic Spectrum Condition (ASC), the school has developed a greater specialism to meet this specific need. As an educational establishment, we strive to improve academic outcomes, whilst acknowledging that communication, social skills, mental health and emotional development are the priority for our pupils.

Coppice Spring School offers a broad and relevant curriculum, which aims to prepare pupils for becoming increasingly independent learners who are able to successfully integrate into mainstream provision at Post-16, or before. Through high quality Independent Advice and Guidance (IAG), pupils and families are supported in identifying the next stages for education, training or employment. This allows for informed decisions to be made in relation to following our formal or vocational pathways in Key Stage 4. The formal pathway follows a traditional GCSE route, whilst the vocational pathway takes advantage of industry recognised qualifications in the form of BTEC and City and Guilds. As part of our holistic approach to improving outcomes for our pupils, we have a strong and well-developed pastoral and care team. This includes a qualified mental health nurse who is the Family Support Worker. As part of our curriculum in Key Stage 3, we deliver Forest School, which has a specific focus on developing social skills, self-esteem and confidence.

We also provide Emotional Literacy Support Assistant (ELSA) intervention and commission a play therapist; both provide specific support for individual needs such as: social skills; anger management; emotional understanding, awareness and regulation. The school is also rapidly developing its provision of therapeutic approaches (such as Lego Therapy) in order to further support the complex needs of our pupils. To do this, we support the Continuing Professional Development (CPD) of our own staff and commission external therapeutic services to work with pupils, parents/carers and school staff; this includes Educational Psychologists and Speech and Language Therapists.

THE DELTA EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

2017/18 Performance Summary

2018 Results Headline Results

	Total	Entered for 5 Subjects		Achieving 5 or more 9-4 (A* - C) Grades or equivalent		Achieving 5 or more 9-4 (A* - C) Grades or equivalent (including Maths & English)		Achieving 5 or more 9-1 (A* - G) Grades or equivalent		Achieving 1 or more 9-1 (A* - G) Grades or equivalent	
2018		No. of pupils	%	No. of pupils	%	No. of pupils	%	No. of pupils	%	No. of pupils	%
Boys	9	0	0	0	0	0	0	3	33.3	9	100
Girls	1	0	0	0	0	0	0	1	100	1	100
Total	10	0	0	0	0	0	0	4	40	10	100

- Ebac – N/A
- Progress 8 - N/A
- Attainment 8 - N/A
- % of pupils staying in education or employment after KS4: 14%
- Pupils not achieving any GCSE / Level 2 or Level 1 qualifications = 1 / 10

Context

- 50% of students new in KS4
- Most Vocational students given opportunity to sit GCSE Maths – 80% gained a GCSE in a subject previously believed to be unobtainable.
- Expected progress made in GCSE English
- Two-thirds of GCSE Art students make better than expected progress
- All BTEC Sport students gain level 2 qualification
- RE offered for the first time, 1 and only student gains qualification in a year
- All T&T students make better than expected progress
- All Work Skills students make better than expected progress
- All students entered for Catering pass
- All BTEC Music students gain Level 2 qualification and make better than expected progress

THE DELTA EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Results by Subject

Subject		Achieving grade 9-4 (A*- C) or equivalent		Achieving grade 9-1 (A*- G) or equivalent		Achieving 3 levels of progress		Achieving 2 levels of progress	
		No. of pupils	%	No. of pupils	%	No. of pupils	%	No. of pupils	%
Maths	7	0	0	6	86	1	14.3	3	42.8
English Literature	2	1	50	2	100	1	50	2	100
English language	2	1	50	2	100	1	50	2	100
Art	3	0	0	3	100	2	66.7	2	66.7
Sport	2	2	100	-	-	1	50	2	100
R.E	1	0	0	1	100	0	0	0	0
Health & Social Care	1	0	0	0	0	0	0	0	0
Travel & Tourism	4	1	33.3	4	100	4	100	4	100
Work Skills	7	4	57.1	6	85.7	7	100	7	100
Home Cooking	2	0	0	2	2	1	50	2	100
Catering and ...	8	0	0	8	100	5	62.5	7	87.5
Music	1	1	100	-	-	1	100	1	100

THE DELTA EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Destinations

From the eleven (Year 11) leavers there are seven that have started at their planned destinations. Two others are waiting to start at Inclusion Hampshire. One of the NEETs (Not in Education, Employment or Training) is seeking employment and the other is liaising with Howard Rowntree (Hampshire Futures) to find appropriate opportunities to engage in education, employment or training.

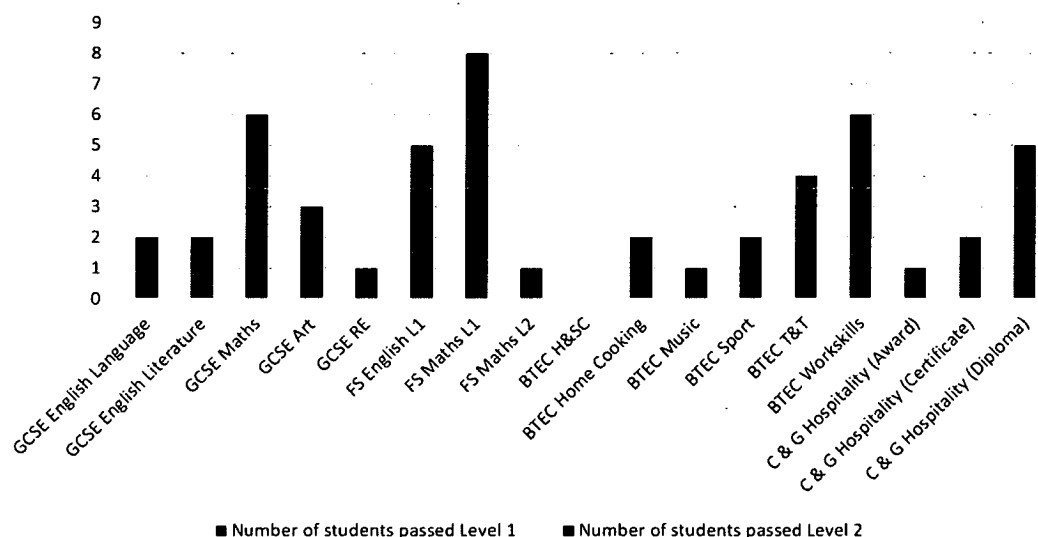
Sparsholt	2
BCoT	2
Inclusion Hampshire	(2 TBC)
Eastleigh College	1
FCoT	1
MPC	1
NEET	4 (at date)

In 2017-18 we commissioned Careers and Independent Advice and Guidance (CIAG) through The Basingstoke Consortium. In 2018-19 we will commission this provision in through Hampshire Futures. The rationale for the change is to ensure high quality provision (that meets The Gatsby Standards) is available for all students. If a student is unsuccessful in maintaining education, employment or training, post-16 Hampshire Futures are the agency that will work with them. This provides the young person and family with a greater consistency.

Key Points

- 10 students in Year 11 last year
- 2 in the Formal Group (GCSE English)
- 4 in Vocational Group (Entered for GCSE Maths) including 1 new to the school
- 4 on Pastoral Support Plan
 - 1 non-attender (6.4% after Christmas)
 - 1 very poor attender (29.41%)
 - 1 spent time in Youth Offenders Institute
 - 1 presented severe behavioural issues in main school

2018 Leavers Qualifications



THE DELTA EDUCATION TRUST

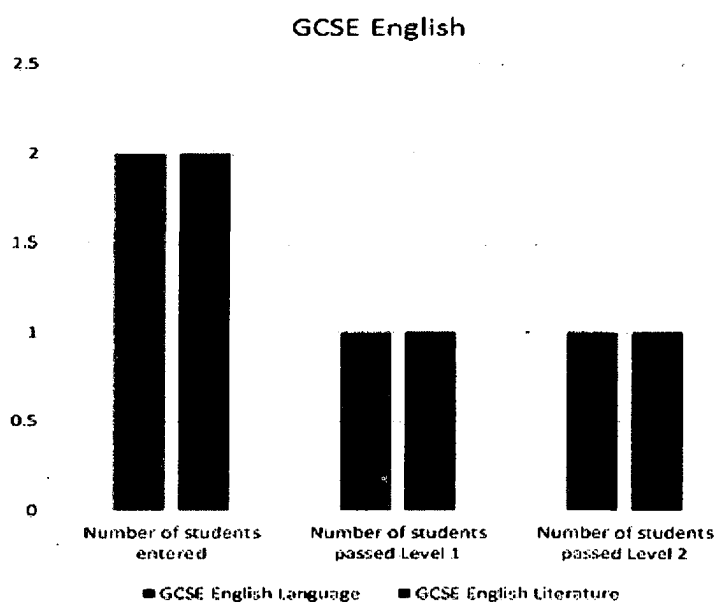
TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Reserves policy

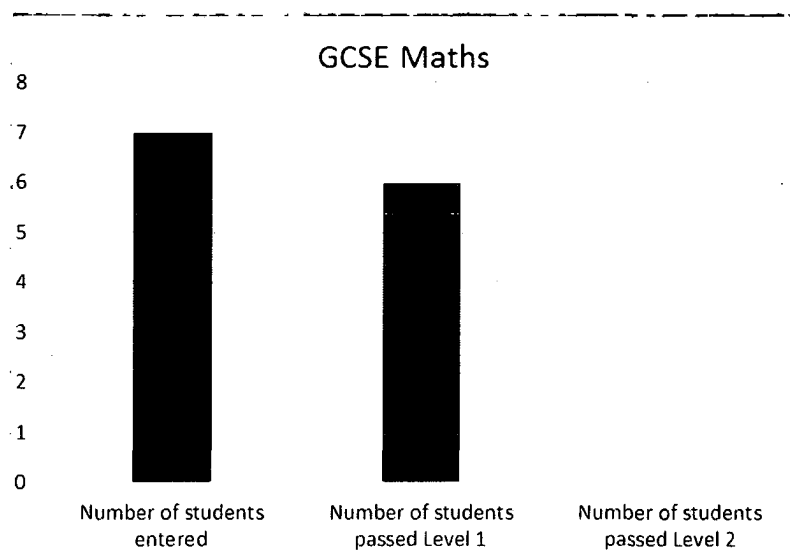
Key points – English

- 1 student gained grade 4 on both papers
- 1 student gained grade 3 on both papers
- First time English Literature has been sat



Key points - Maths

- Most students entered for GCSE Maths (Only 2 expected to enter)
- Formal students both gained grade 3
- 1 Vocational Student gained grade 3
- 3 Vocational Students gained grade 1 (2 of which failed Functional Skills)



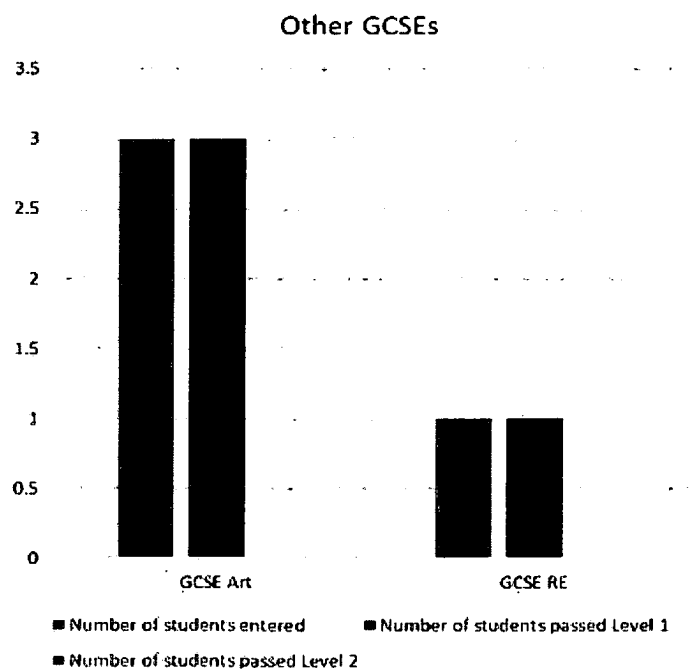
THE DELTA EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

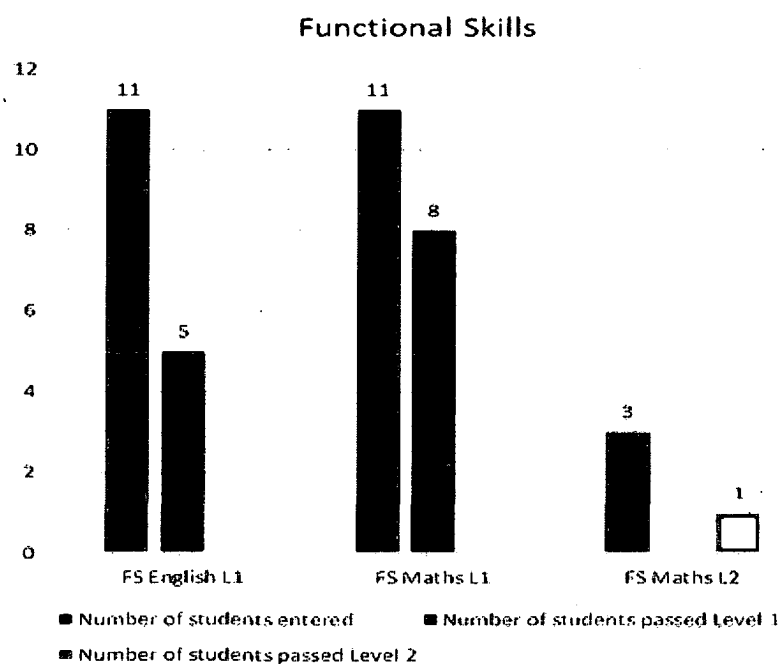
Key points – Art / RE

- 1 grade 2 (Art)
- 3 grade 3s



Key points – Functional Skills

- Only 1 student has no accreditation for English (no show for exams)
- 5 students have passed components and can re-sit the remaining ones (Reading, Writing or S&L)
- Of the 3 who didn't gain L1 maths, 2 achieved a GCSE and 1 didn't show for the exams



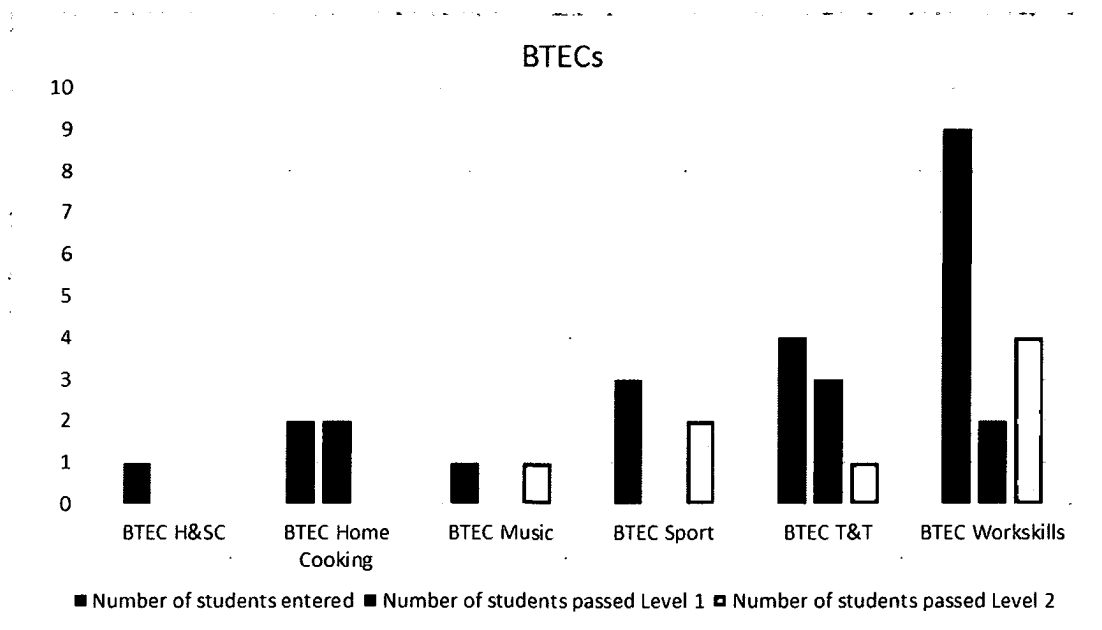
THE DELTA EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

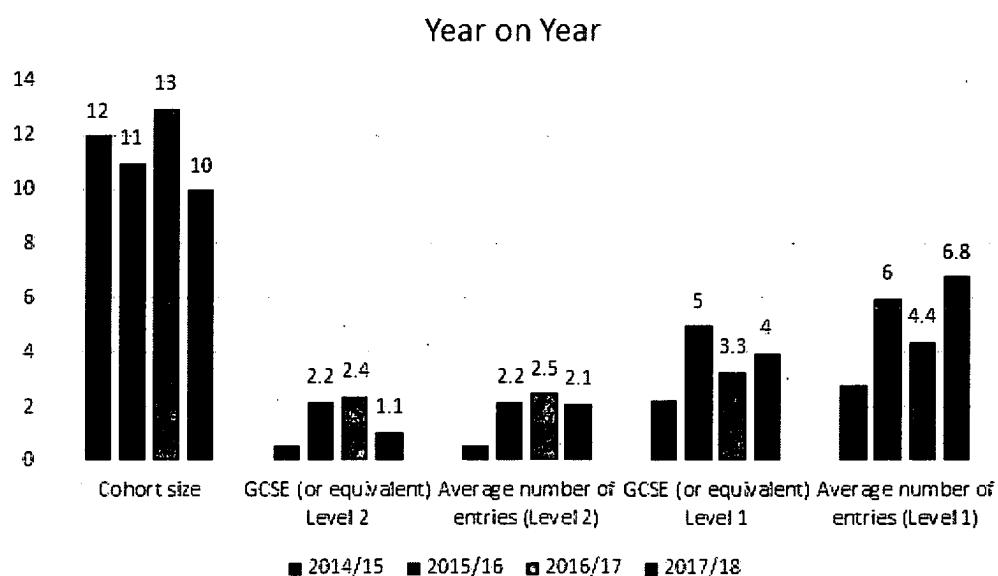
Key points – BTECs

- H&SC student was a late starter
- 4 PSP students started Work Skills but didn't complete it
- 100% pass rate in Home Cooking, Music, T&T



Key points – Year on Year

- Smallest cohort size in 4 years
- Only 2 Formal Students based on entry data
- Aspirational number of level 2 entries (maths)
- Higher number of Level 1 entries and passes than last year with less students



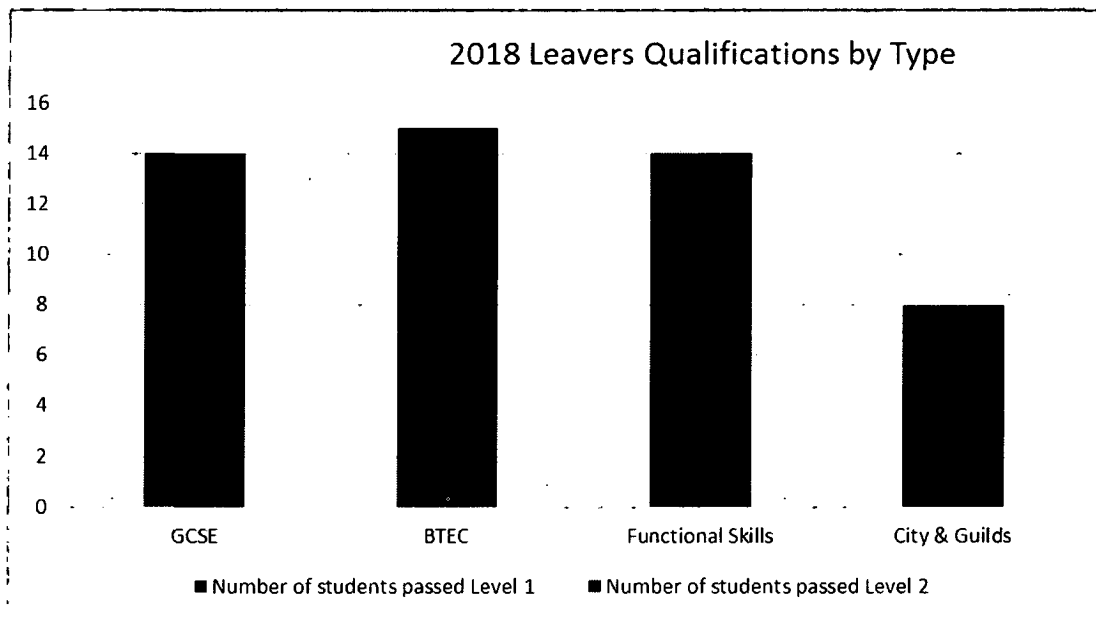
THE DELTA EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Key points – Qualification by type

- 1 less GCSE than 2017 (3 less students)
- Same number of F Skills compared to last year
- Same number of C&G passes compared to last year



THE DELTA EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Going Concern

The Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. They base this on the following:-

The re-brokerage of The Coppice Spring School from the Trust and therefore the termination of the funding agreement, optimistically by the 31st of March and pessimistically the 31st of August 2019.

The Trust continues to work with the Regional School Commissioner (RSC) and the ESFA who are assisting in finalising a solution for The Coppice Spring School.

The ESFA provided the Trust with a £530,000 GAG advance payable over five years, which has improved the cash flow status of the Trust while a resolution was being sought.

The Trust continues to work strategically on expansion and has received confirmation from the Free Schools team to open the Harbour School Dorset in September 2019.

The Trust also received confirmation that we had won the Portsmouth Free School competition and the plan is that The Delta Education Trust open the Special Free School in September 2020.

The Trust has secured a 'Memorandum of understanding' with Portsmouth City Council (PCC) and the Interim Executive Board (IEB) of The Harbour School – Portsmouth (THS). The Trust remains the primary choice for The Harbour School to convert to and continues to work closely with the Leadership Team at the school to ensure it remains financially viable and that standards are maintained.

The Trust currently secures additional income by assisting neighbouring schools with their management of financial and operational services. This income helps reduce the current cost of Central Services whilst the Trust awaits the final decisions from the RSC.

Financial Review

51% of the Trusts income is obtained from the DfE via the EFA in the form of its General Annual Grant (GAG), allocated to each school, the use of which is restricted to particular purposes; i.e. the objects of the Special and Alternative Provision Academies. The GAG received during the year covered by this report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Both schools in the trust received a Devolved Formula Capital Grant (DFC). In accordance with the Charities SORP 2005, the DFC received is shown in the Statement of Financial Activities (SOFA) as restricted fixed asset funds.

The balance sheet restricted fixed asset fund is reduced by depreciation charges over the expected useful life of the assets concerned, as explained in Note 1 to the Financial Statements.

Expenditure for the year covered by this report was covered by the GAG received from the DfE and other income, such as pupil linked top-up funding, voluntary income and activities for generating funds.

Incoming resources during the year 31 August 2018 totalled £4,572k and was insufficient to cover the outgoing resources of £4,993k before transfers and recognised gains and losses. The Trusts financial position demonstrates a deficit as at 31 August 2018 of £421k

The restricted fixed asset reserve of £9,351k is made up of the net book value of tangible fixed assets. The unrestricted and restricted carry forward after adjustment for the LGPS pension obligation total £325k deficit.

The Trust has recognised that there is high risk associated with the dependency in receiving top-up funding for pupils on roll at both schools to maintain stable cash flows. Negotiations continue with the Local Authorities to ensure that top-up funding is paid timely and at the correct funding levels and particular emphasis on expanding the trust to improve collaboration and shared central service costs.

THE DELTA EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Reserves Policy

The level of reserves held at as at 31 August 2018, excluding the LGPS pension liability, totalled £8,120 (2017 £8,285k). Of this figure £63k (2017 £63k) represents unrestricted funds, excluding the pension obligation.

Restricted funds represent a deficit of £388k (2017 £315k)

The Trustees and Finance and Audit Committee have reviewed the deficit and believe that following the three year recovery plan should provide sufficient working capital to cover delays between spending and receipt of grants and to allow for unexpected situations such as urgent maintenance work. Under normal circumstances the Trustees would aim to maintain reserves of between 2% and 5% of GAG as an appropriate cushion but that this would only be viable when funding levels have improved.

Investment policy and powers

Apart from the cash held for the operation of both schools, The Delta Education Trust has no realisable investments. With respect to its cash holdings the Trustees have adopted a low risk strategy.

Principal Risks and Uncertainties

The risks to which the Trust is exposed have been identified in the Trust Risk Register where systems and procedures have been agreed or are being developed to manage and mitigate these risks. The chief risks identified include:

- Failure to continue supporting The Coppice Spring School financially
- Failure to recruit sufficient learners to make the Academies viable
- Year on year reductions in the per capita funding of students with special and medical needs
- Year on year unfunded increases in staff related pay, pensions and NI
- Failure to monitor and react accordingly to the risks associated with competitor establishments

Trustees have identified the following principal risk and uncertainties facing the Trust:

Financial Risk

The Trust is operating in a period of considerable financial uncertainty with regard to public funding. Financial planning is focused on maintaining the breadth and quality of future work in the context of diminishing budgets. Trustees have also given due consideration to the risks associated with financial mismanagement and/or compliance failures. The recent recording of the Trust included on the late filings list has immediately been addressed and mitigated by ensuring all returns are completed two weeks prior to their due date. This has been established to ensure that any technological issues are dealt with well enough in time to submit the required returns.

Governance and/or Management continue to be reviewed and ensure that appropriate measures are in place to mitigate these risks.

Reputational Risk

Trustees are clearly focused on monitoring and reviewing the achievement and success of students. Trustees continue to give due consideration to other aspects of the school's activities where there could be a reputational risk, including discipline, safeguarding, Health and Safety etc.

Safeguarding and Child Protection Risks

Trustees continue to ensure that the highest standards are maintained in the selection and monitoring of staff and volunteers, the operation of child protection policies in school and in training and support, in order to protect the young people in its care.

THE DELTA EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Financial and risk management objectives and policies

The Trust has recognised that there is a high level of risk associated with the dependency in receiving top-up funding for pupils on roll at both schools to maintain stable cash flows.

The primary risk on financial health has been identified as The Coppice Spring School remaining with the Trust. The underfunding of top-up levels for pupils with special need continue to contribute to the increase in the operating deficit at the school. Following meetings with the Department for Education (DfE) and the Regional Schools Commissioner (RSC), the Trust was provided with a SRMA (School Resource Management Advisor) to complete an audit on the Trusts overall financial management and to specifically look at the management of finances at the Coppice Spring School. The report suggested that finances were well managed and no recommendations were made as the Trust was already operating at the most efficient level possible.

The Trust will continue to work to maintain and improve the outcomes of its students at all levels. Additionally, it will continue its efforts to improve the achievements of its students, not only in academic subjects but also in overcoming barriers to success and essential life skills; so as to increase the number of opportunities open to its students when they move on to further education, training or employment.

Financial planning will focus on maintaining the breadth and quality of future work in context of diminishing budgets.

The continuing success of the Trust is to improve our financial positions by:

- Reducing costs by managing the schools within Trust by sharing resources and expertise
- Maintaining economies of scale for Centralised Services once more schools are added to the Trust
- Moving the schools forward to increase pupil numbers
- Application of a Trust Capital Improvement Fund bid to improve the learning environments at both schools
- Utilising expertise within the trust to assist neighbouring schools
- Using our financial freedoms to find high quality services at reduced prices through economies of scale

Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.
- The re-appointment for the Auditors will take place at the AGM

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 17 December 2018 and signed on its behalf by:



A Middle

Chair of Trustees

THE DELTA EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Delta Education Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met five times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
A Middle (Chair of Trustees)	5	5
J Perry (CEO & Accounting Officer)	4	5
N Soloman	4	5
A Baker	3	5
K Carter	3	5
L Symonds	2	5
S Watkins	3	5
M D Bickford	4	5
L Keane	3	5
N Wilkins	4	5

Review of value for money

As Accounting Officer, The Chief Executive Officer has responsibility for ensuring that the Academy 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 taxpayer resources received.

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

- **Challenge** – is the school's performance high enough? Why and how is a service provided? Does the school still need it? Can it be delivered differently?
- **Compare** – how does the school's financial performance compare with other schools with similar provisions?
- **Consult** – how does the school seek the views of stakeholders on school services?
- **Compete** – how does the school secure efficient, effective and quality services? Is the school getting value for money from suppliers?

THE DELTA EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The four principles will be applied when making decisions about:

Staffing

Staff will be deployed to provide best value in terms of quality of teaching, quality of learning, Teacher-student ratio, and curriculum management.

Use of Premises

Consideration will be given to the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching and learning, support services and central resources. The school will also aim to maximise potential revenue from the letting of school premises using Value for Money principles.

Use of Resources

Equipment, materials and services will be deployed to provide students and staff with resources that support quality of teaching and learning.

Teaching and Learning

We aim to provide high-quality education that meets the need of every pupil, especially the most vulnerable, by blending innovation with existing best practice. We find and develop outstanding staff who are committed to doing whatever it takes to ensure the best possible outcomes for our pupils. Our vision can be distilled into three key principles: **Turning Around Lives, Creating Opportunities, Building Futures.**

This approach is at the heart of all we have achieved so far and will continue to guide us as we move forward. Our curriculum offer is reviewed regularly in order to ensure that it matches the needs of all individuals and groups and provides the opportunities for all students to develop skills and make excellent progress from their starting points. The curriculum has built in progression routes to further education, training or employment and includes the development of key workplace and social skills. We have robust systems and procedures to monitor and drive improvements in teaching and learning to ensure that all students are able to make rapid progress and apply skills across the curriculum.

Purchasing

Procedures are in place for assessing need, and obtaining goods and services that provide best value in terms of suitability, efficiency, time and cost. These include competitive tendering procedures for goods and services where appropriate, and procedures for accepting best value quotes and purchasing certain goods and services from known, reliable suppliers. References should be made to the latest Finance Manual for details.

Students' Welfare

The quality of the school environment and ethos will be reviewed to provide a supportive environment conducive to learning and recreation. We believe that the wellbeing of pupils and staff is key to their successful futures.

Health & Safety

The quality of the school environment and equipment is kept under review, carrying out risk assessments where appropriate, in order to provide a safe working environment for students, staff and visitors. The safety of all students and staff is paramount.

Monitoring

Examples of monitoring Value for Money include:

- In-house monitoring by the Leadership Group and middle managers
- Line Management meetings
- Annual Performance Management
- Annual Budget Planning
- Governor's regular financial review
- Audit reports
- Analysis of school student performance data
- OfSTED inspection reports
- Minutes of Board meetings, Committees and Local Governing Bodies

THE DELTA EDUCATION 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 an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Delta Education Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint an internal auditor. The Trustees have appointed Wilkins Kennedy as our Responsible Officer and it is their role to perform a range of checks on the school's financial systems. The Trustees will receive two Interim Audit reports completed by the Responsible Officer, who will submit a report to the Finance Committee and to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of effectiveness

As accounting officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

THE DELTA EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

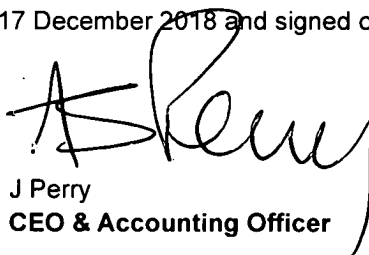
FOR THE YEAR ENDED 31 AUGUST 2018

The accounting officer has been advised of the implications of the result of the review of the system of internal control by the Finance Committee and a plan to address any weaknesses and ensure continuous improvement of the systems in place.

Approved by order of the board of trustees on 17 December 2018 and signed on its behalf by:



A Middle
Chair of Trustees



J Perry
CEO & Accounting Officer

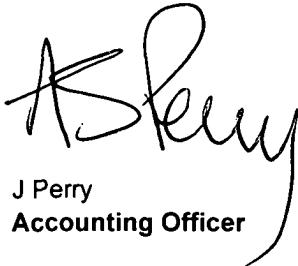
THE DELTA EDUCATION TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of The Delta Education 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.



J Perry
Accounting Officer

17 December 2018

THE DELTA EDUCATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

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

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

In preparing these financial statements, the trustees are required to:

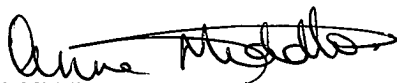
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 17 December 2018 and signed on its behalf by:



A Middle

Chair of Trustees

THE DELTA EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the financial statements of The Delta Education 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 financial statements, 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 financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 financial statements' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

THE DELTA EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DELTA EDUCATION 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 financial statements are prepared is consistent with the financial statements; 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

THE DELTA EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DELTA EDUCATION 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.


for and on behalf of Wilkins Kennedy Audit Services

Statutory Auditor

..... 20/12/18

3-4 Eastwood Court
Broadwater Road
Romsey
Hampshire
SO51 8JJ

THE DELTA EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 20 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Delta Education 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 The Delta Education Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Delta Education 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 The Delta Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Delta Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Delta Education Trust's funding agreement with the Secretary of State for Education dated 27 August 2014 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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas of assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

THE DELTA EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

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.

Reporting Accountant

Wilkins Kennedy Audit Services
3-4 Eastwood Court
Broadwater Road
Romsey
Hampshire
SO51 8JJ

Dated:

20/12/18

THE DELTA EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2018 £'000	Total 2017 £'000
Income and endowments from:						
Donations and capital grants	3	-	-	745	745	12
Charitable activities:						
- Funding for educational operations	4	-	3,589	-	3,589	3,582
- Funding for sigma teaching school	25	-	179	-	179	219
Other trading activities	5	59	-	-	59	18
Total		<u>59</u>	<u>3,768</u>	<u>745</u>	<u>4,572</u>	<u>3,831</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	59	4,539	212	4,810	4,149
- Sigma Teaching School	25	-	183	-	183	180
Total	6	<u>59</u>	<u>4,722</u>	<u>212</u>	<u>4,993</u>	<u>4,329</u>
Net income/(expenditure)		-	(954)	533	(421)	(498)
Transfers between funds	18	-	745	(745)	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	256	-	256	26
Net movement in funds		-	47	(212)	(165)	(472)
Reconciliation of funds						
Total funds brought forward		63	(1,341)	9,563	8,285	8,757
Total funds carried forward		<u>63</u>	<u>(1,294)</u>	<u>9,351</u>	<u>8,120</u>	<u>8,285</u>

THE DELTA EDUCATION 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	£'000	£'000	£'000	£'000
Income and endowments from:					
Donations and capital grants	3	-	-	12	12
Charitable activities:					
- Funding for educational operations	4	-	3,582	-	3,582
- Funding for sigma teaching school	25	-	219	-	219
Other trading activities	5	18	-	-	18
Total		<u>18</u>	<u>3,801</u>	<u>12</u>	<u>3,831</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	18	3,912	219	4,149
- Sigma Teaching School	25	-	180	-	180
Total	6	<u>18</u>	<u>4,092</u>	<u>219</u>	<u>4,329</u>
Net expenditure		-	(291)	(207)	(498)
Transfers between funds	18	-	12	(12)	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	20	-	26	-	26
Net movement in funds		-	(253)	(219)	(472)
Reconciliation of funds					
Total funds brought forward		63	(1,088)	9,782	8,757
Total funds carried forward		<u>63</u>	<u>(1,341)</u>	<u>9,563</u>	<u>8,285</u>

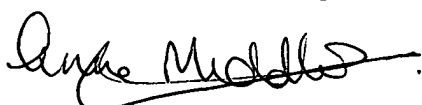
THE DELTA EDUCATION TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

		2018		2017	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	12		9,351		9,563
Current assets					
Stocks	13	4		5	
Debtors	14	151		90	
Cash at bank and in hand		730		3	
		<u>885</u>		<u>98</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(765)		(350)	
Net current liabilities			120		(252)
Total assets less current liabilities			9,471		9,311
Creditors: amounts falling due after more than one year	16		(445)		-
Net assets excluding pension liability			9,026		9,311
Defined benefit pension scheme liability	20		(906)		(1,026)
Net assets			<u>8,120</u>		<u>8,285</u>
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			9,351		9,563
- Restricted income funds			(388)		(315)
- Pension reserve			(906)		(1,026)
Total restricted funds			8,057		8,222
Unrestricted income funds	18		63		63
Total funds			<u>8,120</u>		<u>8,285</u>

The financial statements on pages 38 to 62 were approved by the trustees and authorised for issue on 17 December 2018 and are signed on their behalf by:



A Middle
Chair of Trustees

Company Number 08382383

THE DELTA EDUCATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

		2018		2017	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash used in operating activities	21		(548)		(39)
Cash flows from investing activities					
Capital grants from DfE and ESFA		745		12	
			745		12
Cash flows from financing activities					
New long term government loan		530		-	
			530		-
Change in cash and cash equivalents in the reporting period			727		(27)
Cash and cash equivalents at 1 September 2017			3		30
Cash and cash equivalents at 31 August 2018			730		3

THE DELTA EDUCATION TRUST

NOTES TO THE ACCOUNTS

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 financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements 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.

The Delta Education 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 financial statements.

As at 31 August 2018 the Trust has net current assets of £120k and taking into account the Trust's future cash-flow forecast have sufficient funding in place to meet it's liabilities as they fall due.

The Trustees have a reasonable expectation that the funding needs will be met and therefore believe it is appropriate to prepare the financial statements on a going concern basis.

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.

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.

THE DELTA EDUCATION TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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.

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.

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 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:

Long-term leasehold property	2% straight line
Motor vehicles	25% straight line

The leasehold properties consist of sites leased from Hampshire County Council and the Borough of Poole. The sites have all been valued using an insurance value and are for 125 years in length.

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.

THE DELTA EDUCATION TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.6 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.

1.7 Leasing commitments

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

1.8 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.

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

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 DELTA EDUCATION TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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..

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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency.

THE DELTA EDUCATION TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The Trustees believe that the only critical judgement which is critical to the academy trust's financial statements is regarding going concern as noted in point 1.2 on page 42.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Capital grants	-	745	745	12

THE DELTA EDUCATION TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	1,919	1,919	1,939
Other DfE group grants	-	101	101	79
	-	2,020	2,020	2,018
Other government grants				
Local authority grants	-	1,569	1,569	1,564
Other funding				
Sigma Teaching School income	-	179	179	219
Total funding	-	3,768	3,768	3,801

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Catering income	4	-	4	4
Training, recharges and other income	55	-	55	14
	59	-	59	18

6 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000		Other £'000	Total 2018 £'000	Total 2017 £'000
Academy's educational operations						
- Direct costs	2,552	207	345		3,104	3,125
- Allocated support costs	502	846	358		1,706	1,024
Sigma Teaching School						
- Direct costs	157	-	-		157	128
- Allocated support costs	15	1	10		26	52
	3,226	1,054	713		4,993	4,329

THE DELTA EDUCATION TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

6 Expenditure

(Continued)

Net income/(expenditure) for the year includes:	2018 £'000	2017 £'000
Fees payable to auditor for:		
- Audit	6	6
- Other services	2	2
Operating lease rentals	19	19
Depreciation of tangible fixed assets	212	219
Net interest on defined benefit pension liability	25	18
	<u>263</u>	<u>264</u>

7 Central services

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

- Financial Management
- HR & Payroll
- Risk & Compliance
- IT Management
- School Improvement
- Trust wide CPD

The academy trust charges for these services on the following basis:

These services have been apportioned based on Staff numbers at each school and charged appropriately.

The amounts charged during the year were as follows:	2018 £'000	2017 £'000
The Quay School (TQS)	233	260
Coppice Springs School (CSS)	113	58
Sigma Teaching School (SIG)	8	9
	<u>354</u>	<u>327</u>

8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Direct costs				
Educational operations	-	3,104	3,104	3,125
Sigma Teaching School	-	157	157	128
Support costs				
Educational operations	59	1,647	1,706	1,024
Sigma Teaching School	-	26	26	52
	<u>59</u>	<u>4,934</u>	<u>4,993</u>	<u>4,329</u>

THE DELTA EDUCATION TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8 Charitable activities (Continued)

	£'000	Educational operations £'000	Total 2018 £'000	Total 2017 £'000
Analysis of support costs				
Support staff costs	15	502	517	482
Depreciation	-	5	5	12
Technology costs	-	111	111	72
Premises costs	1	840	841	239
Other support costs	10	236	246	259
Governance costs	-	12	12	12
	<u>26</u>	<u>1,706</u>	<u>1,732</u>	<u>1,076</u>

9 Staff

Staff costs

Staff costs during the year were:

	2018 £'000	2017 £'000
Wages and salaries	2,422	2,444
Social security costs	240	235
Pension costs	462	479
Staff costs	<u>3,124</u>	<u>3,158</u>
Staff development and other staff costs	102	26
Total staff expenditure	<u>3,226</u>	<u>3,184</u>

Staff numbers

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

	2018 Number	2017 Number
Teachers	40	37
Administration and support	30	44
Management	9	10
	<u>79</u>	<u>91</u>

THE DELTA EDUCATION TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Staff

(Continued)

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	3	1
£70,001 - £80,000	2	1
£100,001 - £101,000	-	1
	<u> </u>	<u> </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 pension contributions and employers national insurance) received by key management personnel for their services to the academy trust was £870,000 (2017 - £775,000).

10 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The CEO received remuneration in respect of services she provided undertaking the role of CEO under her contract of employment, and not in respect of their services as trustees.

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

J Perry, Accounting Officer & CEO

Remuneration £75,000 - £80,000 (2017 £95,000 - £100,000)

Employer pension contributions £10,000 - £15,000 (2017 £15,000 - £20,000)

During the year ended 31 August 2018, travel and subsistence expenses totalling £446 (2017 £2,833) were reimbursed or paid directly to 1 trustee.

11 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £10,000,000 on any one claim however the cost for the year ended 31 August 2018 could not be ascertained as it was included with all insurance.

THE DELTA EDUCATION TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

12 Tangible fixed assets

	Long-term leasehold property £'000	Motor vehicles £'000	Total £'000
Cost			
At 1 September 2017 and 31 August 2018	10,337	57	10,394
Depreciation			
At 1 September 2017	779	52	831
Charge for the year	207	5	212
At 31 August 2018	986	57	1,043
Net book value			
At 31 August 2018	9,351	-	9,351
At 31 August 2017	9,558	5	9,563

The net book value of land and buildings comprises:

	2018 £'000	2017 £'000
Long leaseholds (over 50 years)	9,351	9,558

13 Stocks

	2018 £'000	2017 £'000
School uniform and stationery	4	5

14 Debtors

	2018 £'000	2017 £'000
Trade debtors	12	16
VAT recoverable	59	7
Prepayments and accrued income	80	67
	151	90

THE DELTA EDUCATION TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

15 Creditors: amounts falling due within one year	2018 £'000	2017 £'000
Government loans	85	70
Trade creditors	285	148
Other taxation and social security	62	57
Other creditors	51	40
Accruals and deferred income	282	35
	<u>765</u>	<u>350</u>

Government loans include advances made by the ESFA as part of a deficit recovery plan.

16 Creditors: amounts falling due after more than one year	2018 £'000	2017 £'000
Government loans	<u>445</u>	<u>-</u>
Analysis of loans		
Wholly repayable within five years	530	-
Less: included in current liabilities	<u>(85)</u>	<u>-</u>
Amounts included above	<u>445</u>	<u>-</u>

17 Deferred income	2018 £'000	2017 £'000
Deferred income is included within:		
Creditors due within one year	<u>12</u>	<u>12</u>
Deferred income at 1 September 2017	12	48
Released from previous years	(12)	(48)
Resources deferred in the year	<u>12</u>	<u>12</u>
Deferred income at 31 August 2018	<u>12</u>	<u>12</u>

The deferred income at 31 August 2018 relates to funds received in advance for SHIP funding.

THE DELTA EDUCATION TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant	(387)	1,919	(2,741)	745	(464)
Other DfE / ESFA grants	-	101	(92)	-	9
Other government grants	-	1,569	(1,570)	-	(1)
Sigma Teaching School	72	179	(183)	-	68
	<u>(315)</u>	<u>3,768</u>	<u>(4,586)</u>	<u>745</u>	<u>(388)</u>
Funds excluding pensions	(315)	3,768	(4,586)	745	(388)
Pension reserve	(1,026)	-	(136)	256	(906)
	<u>(1,341)</u>	<u>3,768</u>	<u>(4,722)</u>	<u>1,001</u>	<u>(1,294)</u>
Restricted fixed asset funds					
DfE / ESFA capital grants	9,563	745	(212)	(745)	9,351
	<u>9,563</u>	<u>745</u>	<u>(212)</u>	<u>(745)</u>	<u>9,351</u>
Total restricted funds	<u>8,222</u>	<u>4,513</u>	<u>(4,934)</u>	<u>256</u>	<u>8,057</u>
Unrestricted funds					
General funds	63	59	(59)	-	63
	<u>63</u>	<u>59</u>	<u>(59)</u>	<u>-</u>	<u>63</u>
Total funds	<u>8,285</u>	<u>4,572</u>	<u>(4,993)</u>	<u>256</u>	<u>8,120</u>

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

Unrestricted funds

These funds are for the general use of the academy and may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted funds

The General Annual Grant (GAG) represents funding received from the ESFA during the year in order to fund the continuing activities of the academy. The GAG figure carried forward includes an advance of £70k from the ESFA.

Other DfE/ESFA Grants include Pupil Premium, Year 7 catch up and Teaching Schools.

Local authority grants include alternative provision from local authorities.

Other government grants include top up fees from other academies and local authority maintained schools who send students to the academy.

The Trusts has set up Sigma Teaching Alliance to control and distribute the Teaching Schools income.

Fixed asset funds

Includes fixed assets transferred on conversion to academy status from the Borough of Poole and Hampshire County Council. Along with DfE/ESFA Capital Grants which include Devolved Formula Capital and a transfer to GAG which has been used to fund general school repair costs which have not been capitalised.

THE DELTA EDUCATION TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

Movements in funds - previous year

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant	(225)	1,939	(2,113)	12	(387)
Other DfE / ESFA grants	-	79	(79)	-	-
Other government grants	-	1,564	(1,564)	-	-
Sigma Teaching School	33	219	(180)	-	72
	<u>(192)</u>	<u>3,801</u>	<u>(3,936)</u>	<u>12</u>	<u>(315)</u>
Funds excluding pensions	(192)	3,801	(3,936)	12	(315)
Pension reserve	(896)	-	(156)	26	(1,026)
	<u>(1,088)</u>	<u>3,801</u>	<u>(4,092)</u>	<u>38</u>	<u>(1,341)</u>
Restricted fixed asset funds					
DfE / ESFA capital grants	9,782	12	(219)	(12)	9,563
	<u>9,782</u>	<u>12</u>	<u>(219)</u>	<u>(12)</u>	<u>9,563</u>
Total restricted funds	<u>8,694</u>	<u>3,813</u>	<u>(4,311)</u>	<u>26</u>	<u>8,222</u>
Unrestricted funds					
General funds	63	18	(18)	-	63
	<u>63</u>	<u>18</u>	<u>(18)</u>	<u>-</u>	<u>63</u>
Total funds	<u>8,757</u>	<u>3,831</u>	<u>(4,329)</u>	<u>26</u>	<u>8,285</u>

Total funds analysis by academy

	Total £'000
Fund balances at 31 August 2018 were allocated as follows:	
The Quay School (TQS)	150
Coppice Springs School (CSS)	(339)
The Delta Education Trust (DET)	(204)
Sigma Teaching School (SIG)	68
	<u>(325)</u>
Total before fixed assets fund and pension reserve	(325)
Restricted fixed asset fund	9,351
Pension reserve	(906)
	<u>(906)</u>
Total funds	<u>8,120</u>

THE DELTA EDUCATION TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

The following schools are carrying a net deficit of funds on restricted general funds (excluding pension reserve) plus unrestricted funds.

Coppice Spring School	£339k.
Delta Education Trust	£204k

There are three main HCC top-up funding disputes and these have been presented to the ESFA with a clear Deficit Recovery plan that has been written to show the financial effect on the Trust if CSS remains in the Trust on the current unsustainable funding model compared to the a Recovery plan that demonstrates a financial recovery if CSS is re-brokered by September 2018. The ESFA provided £530,000 GAG advance with a 5 year repayment plan while this dispute is being managed.

The movement to a recovery position within the trust was formulated by looking at expansion of the trust to reach a more sustainable central service cost, with a possibility of selling these services to other schools in the area and the decision to re-broker the Coppice Spring School with the help of the Regional Schools Commissioner for South-East England and South London.

The Trust, as its own entity is carrying a deficit of £204k which will be re-paid once the Project funding for the approved Free School is received following heads of terms for the approved Free School site in Dorset.

Total cost analysis by academy

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total £'000
The Quay School (TQS)	1,596	120	43	612	2,371
Coppice Springs School (CSS)	777	130	21	1,524	2,452
The Delta Education Trust (DET)	200	141	8	186	535
Sigma Teaching School (SIG)	157	14	-	12	183
	<u>2,730</u>	<u>405</u>	<u>72</u>	<u>2,334</u>	<u>5,541</u>

THE DELTA EDUCATION TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

Funds analysis by academy - previous year

	Total 2017 £'000
Fund balances at 31 August 2017 were allocated as follows:	
The Quay School (TQS)	138
Coppice Springs School (CSS)	(394)
The Delta Education Trust (DET)	(68)
Sigma Teaching School (SIG)	72
	<hr/>
Total before fixed assets fund and pension reserve	(252)
Restricted fixed asset fund	9,563
Pension reserve	(1,026)
	<hr/>
Total funds	8,285
	<hr/> <hr/>

Total cost analysis by academy - previous year

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2017 £'000
The Quay School (TQS)	1,649	242	39	340	2,270
Coppice Springs School (CSS)	775	115	53	281	1,224
The Delta Education Trust (DET)	177	122	30	107	436
Sigma Teaching School (SIG)	101	3	27	49	180
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,702	482	149	777	4,110
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE DELTA EDUCATION TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	9,351	9,351
Current assets	63	822	-	885
Creditors falling due within one year	-	(765)	-	(765)
Creditors falling due after one year	-	(445)	-	(445)
Defined benefit pension liability	-	(906)	-	(906)
Total net assets	63	(1,294)	9,351	8,120
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	9,563	9,563
Current assets	63	35	-	98
Creditors falling due within one year	-	(350)	-	(350)
Defined benefit pension liability	-	(1,026)	-	(1,026)
Total net assets	63	(1,341)	9,563	8,285

20 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Dorset County Council and Hampshire County 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 2016.

Contributions amounting to £50k (2017: £43k) 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.

THE DELTA EDUCATION TRUST

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

20 Pensions and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £248k (2016: £202k).

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 % for employees.

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

Total contributions made	2018 £'000	2017 £'000
Employer's contributions	122	106
Employees' contributions	37	32
Total contributions	159	138

THE DELTA EDUCATION TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Pensions and similar obligations

(Continued)

Principal actuarial assumptions	2018 %	2017 %
Rate of increases in salaries	3.5 to 3.8	3.5 to 4.2
Rate of increase for pensions in payment	2.0 to 2.3	2.0 to 2.7
Discount rate	2.7 to 2.8	2.5 to 2.6
Inflation assumption (CPI)	2.0	2.0

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

	2018 Years	2017 Years
Retiring today		
- Males	24.0 to 24.1	23.9 to 24.0
- Females	26.1 to 27.2	26.0 to 27.0
Retiring in 20 years		
- Males	26.2 to 26.3	26.0 to 26.2
- Females	28.5 to 29.4	28.3 to 29.3

Sensitivity Analysis

	2018 £'000	2017 £'000
Discount rate + 0.1%	51	37
Discount rate - 0.1%	53	38
Mortality assumption + 1 year	62	46
Mortality assumption - 1 year	61	47
CPI rate + 0.1%	44	25
CPI rate - 0.1%	42	24

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

	2018 Fair value £'000	2017 Fair value £'000
Equities	619	503
Bonds	227	219
Cash	16	24
Property	92	68
Other assets	103	57
Total market value of assets	1,057	871
Actual return on scheme assets - gain/(loss)	41	43

THE DELTA EDUCATION TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Pensions and similar obligations

(Continued)

Amounts recognised in the statement of financial activities	2018 £'000	2017 £'000
Current service cost	233	244
Interest income	(24)	(17)
Interest cost	49	35
Total operating charge	258	262
Changes in the present value of defined benefit obligations	2018 £'000	2017 £'000
Obligations at 1 September 2017	1,897	1,663
Current service cost	233	244
Interest cost	49	35
Employee contributions	37	32
Actuarial gain	(239)	-
Benefits paid	(14)	(77)
At 31 August 2018	1,963	1,897
Changes in the fair value of the academy trust's share of scheme assets	2018 £'000	2017 £'000
Assets at 1 September 2017	871	767
Interest income	24	17
Actuarial gain	17	26
Employer contributions	122	106
Employee contributions	37	32
Benefits paid	(14)	(77)
At 31 August 2018	1,057	871

THE DELTA EDUCATION TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Reconciliation of net expenditure to net cash flow from operating activities

	2018 £'000	2017 £'000
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(421)	(498)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(745)	(12)
Defined benefit pension costs less contributions payable	111	138
Defined benefit pension net finance cost	25	18
Depreciation of tangible fixed assets	212	219
Decrease in stocks	1	2
(Increase)/decrease in debtors	(61)	55
Increase in creditors	330	39
Net cash used in operating activities	(548)	(39)

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 £'000	2017 £'000
Amounts due within one year	19	19
Amounts due in two and five years	36	54
	<u>55</u>	<u>73</u>

23 Related party transactions

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

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 9.

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.

THE DELTA EDUCATION TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

25	Sigma Teaching School trading account	2018		2017	
		£'000	£'000	£'000	£'000
	Direct income				
	Fee income		179		219
	Direct costs				
	Direct staff costs	70		101	
	Educational supplies and services	-		27	
	Staff development	87		-	
		<u>157</u>		<u>128</u>	
	Other costs				
	Support staff costs	15		3	
	Security and transport	1		-	
	Other support costs	10		49	
		<u>26</u>		<u>52</u>	
	Total expenditure		(183)		(180)
	Surplus/(deficit) from all sources		(4)		39
	Sigma Teaching School balances at 1 September 2017		72		33
	Sigma Teaching School balances at 31 August 2018		<u>68</u>		<u>72</u>