

COMPANY LIMITED BY GUARANTEE
REGISTRATION NUMBER 08120128
(ENGLAND AND WALES)

THE DUNHAM TRUST
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

PERIOD ENDED 31 AUGUST 2013



HW
Chartered Accountants & Registered Auditors
Bridge House
157A Ashley Road
Hale
Altrincham
Cheshire
WA14 2UT

THE DUNHAM TRUST
FINANCIAL STATEMENTS
PERIOD ENDED 31 AUGUST 2013

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THE DUNHAM TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

PERIOD ENDED 31 AUGUST 2013

Directors and trustees of The Dunham Trust	J Appleyard (Executive head teacher)	(appointed 26 6 12)
	I MacKenzie	(appointed 4 11 13)
	P Reilly (Chair of the trust)	(appointed 26 6 12)
	D Vanstone	(appointed 4 11 13)
	N Payne	(appointed 26 6 12)

Governors of Elmridge Primary School	J Appleyard (Executive head teacher)*
	R Armstrong
	K Imran-Aziz
	I MacKenzie
	N Payne
	P Reilly*
	G Simmonds*
	P Tarry
	J Tracey*
	A Turner

* Member of the finance committee

	D Vanstone
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Governors of Acre Hall Primary School	J Appleyard (Executive head teacher)
	S Pitchon
	B Shaw
	P Tarry
	D Vanstone

(Committee membership and remits are still to be assigned)

	A White
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Senior management team of Elmridge Primary School	J Appleyard (Executive head teacher)
	M Edmundson (Associate head teacher)
	J Carmichael (Deputy head teacher)
	L Kaufman (Business manager)

Senior management team of Acre Hall Primary School	J Appleyard (Executive head teacher)
	A White (Acting head teacher)
	A Yates (Acting deputy head teacher)
	A Brierley (KS phase lead)

Secretary	L Kaufman
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Registered office	Wilton Drive, Hale Barns, Altrincham, Cheshire, WA15 0JF
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Company registration number	08120128
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Auditors	HW Chartered Accountants & Registered Auditors, Bridge House, Ashley Road, Hale, Altrincham, WA14 2UT
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Bankers	Lloyds Bank, 76 Stamford New Road, Altrincham, WA14 1BS
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THE DUNHAM TRUST

TRUSTEES' REPORT

PERIOD ENDED 31 AUGUST 2013

The trustees present their report with the financial statements of the charitable company for the period ended 31 August 2013

Structure, governance and management

Constitution

The Elmridge Primary School was incorporated on 26 June 2012 as a company limited by guarantee with no share capital, registration no 08120128. The company was originally known as Elmridge Academy Trust though has since formally changed its name to The Dunham Trust. On 1 July 2013 Acre Hall Primary School joined the Dunham Trust. Elmridge Primary School commenced operation as an academy on 1 September 2012, and Acre Hall Primary School on 1 July 2013. The charitable company's Memorandum and Articles of Association are the primary governing documents of the trust. The trustees of The Dunham Trust are also the directors of the charitable company for the purposes of company law. These trustees appoint local governing bodies for each of the trust's component schools. The Articles of Association require the members of the charitable company to be responsible for the statutory and constitutional affairs of the charitable company and the management of the academy.

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/she is a member, or within one period after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

Governors

Five of the governors are directors of the charitable company for the purposes of the Companies Act 2006 and all governors are trustees for the purposes of charity legislation.

The governors who were in office at 31 August 2013 and served during the period are listed on page 1.

Governors' indemnities

In accordance with normal commercial practice the academy has purchased professional indemnity and directors' and officers' insurance to protect the governors and officers from claims arising from negligence, errors or omissions occurring whilst on academy business. Further details are disclosed at note 13.

Principal activities

The Elmridge Primary School converted to academy trust status on 1 September 2012 and Acre Hall Primary School on 1 July 2013 at which point the entity's current operations commenced. The academy trust's principal activities are to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

THE DUNHAM TRUST

TRUSTEES' REPORT *(continued)*

PERIOD ENDED 31 AUGUST 2013

Method of recruitment and appointment or election of governors

The members of the trust are responsible for the appointment of governors. There will be a minimum of three governors per trust school (including the chair of the local governing body (also a director of the trust) and a minimum of two parent governors). The directors can also appoint co-opted governors and any other category decided by board of directors.

Policies and procedures adopted for the induction and training of governors

Governors are appointed based on the skills that they will bring to the governing body or based on a proposal to the governing body by representative groups. On appointment, governors receive information relating to the trust, attend a briefing and receive an induction pack on the role and responsibilities of governors.

During the year, governors are offered all necessary training.

Organisational structure

The governance of the trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

Acre Hall Primary School has taken on board the organisational structure of Elmridge Primary School, and both schools report to the trustees of The Dunham Trust.

All local board governors are members of their respective full governing body. In addition, governors are members of committees which report to the full governing body.

The board of governors meets once each term to receive reports from its sub-committees and manage its strategic objectives. The board has four sub-committees:

- Finance, which meets at least termly to consider the academy's budgets and financial performance,
- Performance Related Pay, which meets at least termly to consider performance against targets,
- Building/Health and Safety, which meets quarterly to consider any premises requirements, and
- Target Setting

The day to day management of each school is delegated to the headteacher, who has appointed a senior leadership team, which meets weekly to advise the headteacher on their day to day responsibilities.

Risk management

The trustees have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy. The trustees have implemented a number of systems to assess risks that the academy faces, especially in the operational areas (eg in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (eg vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls and this is explained in more detail below.

THE DUNHAM TRUST

TRUSTEES' REPORT *(continued)*

PERIOD ENDED 31 AUGUST 2013

Connected organisations, including related party relationships

The Dunham Trust is not connected to any other organisations as defined by the relevant Charities SORP. The members, directors, trustees, governors, senior staff and their families are regarded as related parties in accordance with the definitions in the Charities SORP.

Objectives and activities

Objects and aims

The trust's object is to advance for the public benefit education for children aged 3 to 11 by establishing, maintaining, carrying on, managing and developing schools offering a broad, balanced, relevant and differentiated curriculum.

The trustees' vision is to create a culture of success to extend lifetime opportunities for young people and to do everything possible to encourage this. The Dunham Trust believes that children should develop a happy way of being together, that their self-respect leads to a respect for the rights and needs of other children and adults from their own culture and other cultures and for the opposite gender.

We are aiming to educate the whole child by presenting a total experience which is right and relevant to his/her individuality, thus fostering the child's intellectual, physical, cultural, moral and spiritual development.

We aim to teach a broad and balanced curriculum as described above followed by an assessment of the children's progress. We also provide time for reflection and evaluation by the teaching staff.

We recognise that change and progress are an important part of everyday life and, therefore, aim to equip children to cope and flourish in dealing with the challenges faced by such changes.

Objectives, strategies and activities

The academy's objective for the period ended 31 August 2013 was to raise the attainment level of all students through care and well-being, curriculum structure, teaching and learning, and leadership development.

Student roll	the total number on roll for the year to 31 August 2013 was 240 (Elmridge) and 228 (Acre Hall)
Admissions	Elmridge Primary School is currently over-subscribed by approximately 16% calculated against its official capacity of 240. Acre Hall Primary School is currently under-subscribed by approximately 39% calculated against its official capacity of 371.
Staffing	the average number of (full time equivalent) staff employed across the trust during the year to 31 August 2013 was 44.

THE DUNHAM TRUST

TRUSTEES' REPORT *(continued)*

PERIOD ENDED 31 AUGUST 2013

Elmridge's proportion of salaries to GAG does not conform to the benchmark figure of between 60%-80% for two specific reasons

Firstly, Elmridge's status as a Teaching School has staffing implications. Elmridge has to overstaff to an extent in order to provide onsite back-fill staff for those members of staff that are either attending CPD courses or are leading these courses themselves for the benefit of other cluster schools.

Secondly, there are senior members of staff that are employed by Elmridge Primary School and are based there. However, these key individuals work across the trust and spend material amounts of time working at Acre Hall. Acre Hall's 2014 budget is designed so as to remunerate Elmridge for this work by way of a Management or Shared Services charge.

Public benefit

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commissions general guidance on public benefit.

Achievements and performance

On 1 September 2011 Elmridge Primary School became one of the first 100 schools to be appointed a Teaching School. This designation, granted to Outstanding schools, follows the Government White Paper (2010) which set out the principles of a self-improving school system to be led and facilitated through Teaching Schools.

By 2014 there will be a network of 500 outstanding teaching school alliances driving significant improvement in schools.

A Teaching School's role is to -

- lead the development of a school-led ITT system, through School Direct and in some cases seeking full accreditation as an ITT provider,
- lead peer-to-peer professional and leadership development,
- identify and develop leadership potential,
- provide support for other schools,
- designate and broker Specialist Leaders of Education (SLEs), and
- engage in research and development,

Elmridge gained its Teaching School status in partnership/job-share with St Chads CofE, in Oldham. Elmridge and St Chads joined together to work in a collaborative manner, sharing a vision "Give, Gain, Grow".

In its role as a Teaching School, Elmridge Primary School, in conjunction with Acre Hall Primary School and its specialist classes, has embarked on an SEN Research & Development project that is designed to explore the characteristics of children with aspects of ADHD and ASD and examine how these children be supported in the classroom in order to improve the outcomes for these children. Elmridge has brought together experts from the SEN field in order to develop a series of workshops. The workshops are available to attend singularly or as a complete package.

THE DUNHAM TRUST

TRUSTEES' REPORT *(continued)*

PERIOD ENDED 31 AUGUST 2013

The workshops, designed to improve the SEND confidence of Teaching Assistants, Learning Mentors and Pastoral Support Assistants, are available free of charge

Below is an extract of the DfE's own latest data from March 2013 relating to KS2 2012 results

	% Achieving Level 4 or above in English & Maths				% making expected progress		
	2012	2011	2010	2009	English	Maths	
England - all schools	79%	74%	73%	72%	89%	87%	
England - state funded schools only	79%	74%	73%	72%	89%	87%	
Local Authority	86%	84%	81%	81%	91%	91%	
Elmridge Primary School	Community School	100%	90%	88%	92%	100%	100%

No data exists for Acre Hall Primary School as at 31 August 2013 as this school only became part of the Dunham Trust on 1 July 2013

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies note of the financial statements.

Key performance indicators

Key performance indicators are taken from Ofsted's School Data Dashboard and include the latest published figures that relate to 2012

- 100% of pupils attained Level 4 or above in the key stage 2 English (overall) test and assessment
- 100% of pupils attained Level 4 or above in the key stage 2 reading test
- 100% of pupils attained Level 4 or above in the key stage 2 writing assessment
- 100% of pupils attained Level 4 or above in the key stage 2 mathematics test. This is an increase of three percentage points since 2011
- The attendance rate at this school was 96.3%. The attendance rate has increased by 1.7 percentage points since 2011. The attendance rate is in the top 40% of all schools.

Financial review

The trust's financial position for the period to 31 August 2013 demonstrates total income of £3,598,000 (including £883,000 transferred from the local authority on conversion) with a surplus at 31 August 2013 of £2,218,000. The surplus has been allocated to reserves.

THE DUNHAM TRUST

TRUSTEES' REPORT *(continued)*

PERIOD ENDED 31 AUGUST 2013

The reserves will be utilised for continuous improvements and for projects for the repair and replacement of educational equipment and materials. Reserves will also be allocated to the repair, replacement and updating of the academy's buildings, its plant, equipment and contents.

The principal financial management policies adopted in the year are

- regular financial reviews of income and expenditure versus planned budgets at Finance and Personnel Committee meetings, and
- consideration as to whether income streams demonstrate a robust and stable position to continue to enable the provision of resources of sufficient quality to fulfil the academy's educational obligations

Reserves carried forward at 31 August 2013 will be utilised as part of the medium and long term plans of the academy to improve and update its educational resources, materials and equipment, and additionally provide a continuous improvement plan to maintain and repair the site and facilities.

Financial and risk management objectives and policies

The academy has developed risk management procedures as outlined above. The trustees have assessed the major risks to which the academy is exposed and a formal review of the trust's risk management process is undertaken on an annual basis.

Principal risks and uncertainties

The Dunham Trust has adopted a Risk Management Policy and is in the process of creating a Risk Register and risk review process. The objectives will be to determine an approach and, where it is considered necessary, put in place measures of control and mitigation in order to manage risk.

The principal risks are seen as the loss of reputation through falling standards, falling student rolls and failure to safeguard our students.

Key controls in place are

- an organisational structure with defined roles, responsibilities and authorisation levels,
- terms of reference for the committees of the governing bodies,
- financial planning, budgeting and regular management reporting highlighting areas of financial risk,
- formal written and published policies for employees, and
- vetting procedures as required by law for the protection of the vulnerable

The academy has recognised its share of the Local Government Pension Scheme (LGPS) assets and liabilities in accordance with Financial Reporting Standard No. 17. A deficit has been recognised at 31 August 2013. Future contribution rates are adjusted so as to reduce this deficit.

THE DUNHAM TRUST

TRUSTEES' REPORT *(continued)*

PERIOD ENDED 31 AUGUST 2013

Reserves policy

The trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure stream, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of free reserves should be equivalent to two months' of the GAG at each school. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves (total funds less the amount held in fixed assets restricted fund but excluding pension reserve) is £1,513,000.

Plans for future periods

The trust will continue to build upon its good name and current success. The results of Elmridge will continue to be as strong as ever and the performance of the Teaching School will continue to develop so as to establish further relationships across the North West of England and beyond. The trust will continue to expand the capacity of Acre Hall and every aspect of this school will continue to improve as has already started to happen after just two months of the formal relationship (Elmridge Primary School had been collaborating with Acre Hall and making improvements for two years prior to Acre Hall's admission to the trust). The trust too is likely to be invited to join forces with other struggling schools as a sponsor academy with a view to turning the fortunes of these schools around. Therefore, the number of schools within the trust is likely to grow.

There are also plans to reduce the number of local board committees to three

- Finance, Buildings, Health and Safety,
- Curriculum, HR and Target Setting, and
- Performance Management for headteacher/head of school

Auditors

In so far as the trustees are aware

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

The audit business HW, Chartered Accountants have been appointed as the company's auditor. The audit report has therefore been issued by HW, Chartered Accountants.

The report of the trustees was approved by the trustees on 18 December 2013 and signed on their behalf by, P Reilly, chair of The Dunham Trust.


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P Reilly

Chair of The Dunham Trust

THE DUNHAM TRUST

GOVERNANCE STATEMENT

PERIOD ENDED 31 AUGUST 2013

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The Dunham 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 trust's principal headteacher, as accounting officer, for ensuring financial controls conform to 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 Dunham 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 governing body of Elmridge Primary School has met five times during the period. Attendance during the meetings of the governing body was as follows:

Governor	Meetings attended	Out of possible
J Appleyard (Executive headteacher)	5	5
R Armstrong	3	5
K Imran-Aziz	2	5
I Mackenzie	2	5
N Payne	2	5
P Reilly (Chair of governors)	4	5
G Simmonds	5	5
P Tarry	5	5
J Tracey (Chair of sub-committee)	3	5
A Turner	3	5
D Vanstone	5	5

The Finance sub-committee met three times in the year on a termly basis. Attendance at meetings in the period was as follows:

Governor	Meetings attended	Out of possible
J Appleyard (Executive headteacher)	3	3
G Simmonds	2	3
P Reilly	3	3
J Tracey	1	3

THE DUNHAM TRUST

GOVERNANCE STATEMENT *(continued)*

PERIOD ENDED 31 AUGUST 2013

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy's 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 Dunham Trust for the period ended 31 August 2013 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 operation, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process of identifying, evaluating and managing the academy trust's significant risks that have been in place for the period ended 31 August 2013 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 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 system with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees,
- regular review by the Finance and Personnel 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 defining purchasing (assets purchase or capital investment) guidelines,
- delegation of authority and segregations of duties, and
- identification and management of risks

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Mr P Greenhalgh, head of finance for One Education Limited as responsible officer (RO). The RO's role includes giving advice in financial matters and performing a range of checks on the academy trust's financial systems.

THE DUNHAM TRUST

GOVERNANCE STATEMENT *(continued)*

PERIOD ENDED 31 AUGUST 2013

Review of effectiveness

As accounting officer, the headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by

- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework,
- the work of the responsible officer,
- the work of the external auditors, and
- the financial management and governance self-assessment process

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 18 December 2013 and signed on its behalf by



P Reilly
Chair of The Dunham Trust



J Appleyard
Executive head teacher and accounting officer

THE DUNHAM TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

PERIOD ENDED 31 AUGUST 2013

As accounting officer of The Dunham Trust I have considered my responsibility to notify the academy trust's board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.


J Appleyard
Accounting officer

18 December 2013

THE DUNHAM TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

PERIOD ENDED 31 AUGUST 2013

The trustees (who act as governors of The Dunham Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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

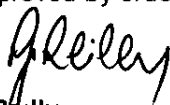
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 grants received from the EFA/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 18 December 2013 and signed on its behalf by



P Reilly

Chair of The Dunham Trust

THE DUNHAM TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DUNHAM TRUST

PERIOD ENDED 31 AUGUST 2013

We have audited the financial statements of The Dunham Trust for the period ended 31 August 2013 which comprise the statement of financial activities, the balance sheet, the cash flow statement) and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2013 issued by the Education Funding Agency.

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an 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 academy trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities set out on page 13, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the academy trust's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2013, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

THE DUNHAM TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DUNHAM TRUST *(continued)*

PERIOD ENDED 31 AUGUST 2013

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' annual report for the financial period for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

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

JOHN WHITTICK (Senior Statutory Auditor)

For and on behalf of

HW 

Chartered Accountants
& Statutory Auditor

Bridge House
157A Ashley Road
Hale
Altrincham
Cheshire WA14 2UT

18 December 2013

THE DUNHAM TRUST

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

PERIOD ENDED 31 AUGUST 2013

In accordance with the terms of our engagement letter dated 22 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Dunham Trust during the year 1 September 2012 to 31 August 2013 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 Dunham Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Dunham Trust and the EFA 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 Dunham Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of The Dunham Trust's funding agreement with the Secretary of State for Education dated 30 August 2012 and amended by deed of variation on 28 June 2013 and the Academies Financial Handbook, extant from 1 September 2012, 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 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 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 2013 issued by the EFA. 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.

THE DUNHAM TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE THE DUNHAM TRUST AND THE EDUCATION FUNDING AGENCY *(continued)*

PERIOD ENDED 31 AUGUST 2013

The work undertaken to draw our conclusions includes

- We have confirmed that the activities conform to the academy trust's framework of authorities As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects


THE DUNHAM TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE THE DUNHAM TRUST AND THE EDUCATION FUNDING AGENCY *(continued)*

PERIOD ENDED 31 AUGUST 2013

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

HW, Chartered Accountants
Bridge House
157A Ashley Road 
Hale
Altrincham
Cheshire
WA14 2UT

18 December 2013

THE DUNHAM TRUST
STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT
AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

PERIOD ENDED 31 AUGUST 2013

		Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total 2013 £000
Incoming resources					
Incoming resources from generated funds					
Voluntary income	3	1	-	-	1
Transfer from local authority on conversion	28	62	127	694	883
Activities for generating funds	4	134	-	-	134
Incoming resources from charitable activities					-
Funding for the academy's educational operations	5	-	2,212	368	2,580
Total incoming resources		<u>197</u>	<u>2,339</u>	<u>1,062</u>	<u>3,598</u>
Resources expended					
Cost of generating funds					
Costs of generating income	7	13	-	-	13
Charitable activities					
Academy's educational operations	8	17	1,331	19	1,367
Governance costs	9	-	10	-	10
Total resources expended	6	<u>30</u>	<u>1,341</u>	<u>19</u>	<u>1,390</u>
Net incoming/(outgoing) resources before transfers		167	998	1,043	2,208
Gross transfers between funds	17	-	(25)	25	-
Net income/(expenditure) for the year		167	973	1,068	2,208
Other recognised gains and losses					
Actuarial (losses)/gains on defined benefit pension schemes	17,26	-	10	-	10
Funds carried forward at 31 August 2013		<u>167</u>	<u>983</u>	<u>1,068</u>	<u>2,218</u>

All of the academy's activities derive from acquisitions in the current financial period

A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities

THE DUNHAM TRUST

BALANCE SHEET

AS AT 31 AUGUST 2013

	Notes	2013 £000	2013 £000
Fixed assets			
Tangible assets	14		1,068
Current assets			
Debtors	15	1,325	
Cash at bank and in hand		738	
		<u>2,063</u>	
Creditors: Amounts falling due within 1 year	16	550	
Net current assets			<u>1,513</u>
Total assets less current liabilities			2,581
Net assets including pension liability			
Pension scheme liability	26		363
Net assets including pension liability			<u>2,218</u>
Funds of the academy:			
Restricted funds			
Fixed asset fund(s)	17		1,068
General fund(s)	17		1,346
Pension reserve	17		<u>(363)</u>
Total restricted funds			2,051
Unrestricted funds	17		167
Total funds			<u>2,218</u>

The financial statements on pages 19 to 38 were approved by the trustees, and authorised for issue on 18 December 2013 and are signed on their behalf by



Mr P Reilly
Chair of The Dunham Trust

Company limited by guarantee, registration number 08120128

THE DUNHAM TRUST
CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2013

	Notes	2013 £000
Net cash inflow from operating activities	21	(601)
Capital expenditure	22	730
Cash transferred on conversion to an academy trust	28	609
(Decrease)/Increase in cash in the year	23	<u>738</u>
Reconciliation of net cash flow to movement in net funds		
Net funds at 31 August 2013		<u>738</u>

All of the cash flows are derived from acquisitions in the current financial period

THE DUNHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2013

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, except for assets transferred at valuation, in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2013 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The trustees have made their assessment in respect of a period of one year from the date of approval of the financial statements and confirm that going concern is appropriate for the academy.

Incoming resources

All incoming resources are recognised when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

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

Other income

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

Donated services and gifts in kind

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

THE DUNHAM TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 AUGUST 2013

1 Accounting policies (continued)

Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the academy's educational operations.

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

Conversion to an academy

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Elmridge Primary School and Acre Hall Primary School to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for The Dunham Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Property was transferred at a depreciated replacement cost. Leasehold land was valued based on the site's hectares at the trustees' estimate of the value of land in the area. The pension deficit transferred was valued by Hymans Robertson LLP.

Tangible fixed assets

Assets costing £1,000 or more whether an individual item or part of a capital project 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. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy.

THE DUNHAM TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 AUGUST 2013

1 Accounting policies (continued)

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 lives, as follows

Land	nil
Long leasehold buildings	over 50 years
Fixtures, fittings and equipment	over 4 years
ICT equipment	over 4 years

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

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.

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Taxation

The academy 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 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.

Pensions benefits

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the academy.

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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the government actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 26, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

THE DUNHAM TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 AUGUST 2013

1 Accounting policies (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, no academy within the trust was subject to limits on the amount of GAG it could carry forward at 31 August 2013.

3 Voluntary income

	Unrestricted funds	General restricted funds	Fixed asset restricted funds
	2013	2013	2013
	£000	£000	£000
Other donations	1	-	-
	1	-	-

4 Activities for generating funds

	Unrestricted funds	General restricted funds	Fixed asset restricted funds
	2013	2013	2013
	£000	£000	£000
Hire of facilities	18	-	-
Sales and charges	116	-	-
	134	-	-

THE DUNHAM TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 AUGUST 2013

5 Funding for academy's educational operations	Unrestricted funds	General restricted funds	Fixed asset restricted funds
	2013	2013	2013
	£000	£000	£000
DfE/EFA revenue grants			
General Annual Grant (GAG) (note 2)	-	935	-
Start up grants	-	118	-
Capital grants	-	755	368
Other DfE/EFA grants	-	255	-
	<u>-</u>	<u>2,063</u>	<u>368</u>
Other government grants			
Local authority grants	-	149	-
	<u>-</u>	<u>2,212</u>	<u>368</u>

6 Resources expended	Staff costs	Non pay expenditure		Total
	£000	Premises	Other costs	2013
	£000	£000	£000	£000
Costs of generating voluntary income	-	-	13	13
Costs of activities for generating funds	-	-	13	13
Academy's educational operations				
Direct costs	664	17	146	827
Allocated support costs	266	126	148	540
	<u>930</u>	<u>143</u>	<u>307</u>	<u>1,380</u>
Governance costs including allocated	-	-	10	10
	<u>930</u>	<u>143</u>	<u>317</u>	<u>1,390</u>

The method used for the apportionment of support costs is disclosed in the accounting policies

Incoming/outgoing resources for the year include.

Operating leases	4
Fees payable to auditor	
Audit	7
Other services	3
	<u>14</u>

7 Costs for generating income	Unrestricted funds	General restricted funds	Fixed asset restricted funds
	2013	2013	2013
	£000	£000	£000
School activities	13	-	-
	<u>13</u>	<u>-</u>	<u>-</u>

THE DUNHAM TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 AUGUST 2013

8 Charitable activities - academy's educational operations

	Unrestricted funds 2013 £000	General restricted funds 2013 £000	Fixed asset restricted funds 2013 £000
Direct costs			
Teaching and educational support staff costs	-	664	-
Depreciation	-	-	17
Educational supplies	17	45	-
Staff development	-	20	-
IT costs	-	33	-
Agency supply	-	31	-
	17	793	17
Allocated support costs			
Support staff costs	-	266	-
Pension costs	-	14	-
Depreciation	-	-	2
Maintenance of premises and equipment	-	45	-
Cleaning	-	18	-
Rent & rates	-	32	-
Energy costs	-	47	-
Insurance	-	17	-
Catering	-	19	-
Legal and professional	-	64	-
Other support costs	-	16	-
	-	538	2
	17	1,331	19

9 Governance costs

	Unrestricted funds 2013 £000	General restricted funds 2013 £000	Fixed asset restricted funds 2013 £000
Auditor's remuneration			
Audit of financial statements	-	7	-
Other audit costs	-	3	-
	-	10	-

10 Central services

During the short period in which Acre Hall Primary Academy was part of The Dunham Trust there were no central services provided

THE DUNHAM TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 AUGUST 2013

11	Staff costs	2013
		£000
	Staff costs during the period were	
	Wages and salaries	766
	Social security costs	59
	Pension costs	103
		928
	Supply teacher costs included within the payroll	2
		930

Supply staff agency costs were £30,984

The average number of persons (including senior management team) employed by the academy during the year, and the full time equivalents, was as follows

	2013	2013
	Number equivalent	Full-time
Charitable activities		
Teachers	25	16
Administration and support	39	21
Management	7	7
	71	44

The number of employees whose emoluments fell within the following bands was

	2013
	Number
£90,001 - £100,000	1

The above employee participated in the Teacher's Pension Scheme. During the year ended 31 August 2013, pension contributions for this employee amounted to £13,442

12 Related party transactions - trustees' remuneration and expenses

The principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as governors. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. The value of trustees' remuneration was as follows

J Appleyard (principal and trustee)	£95,001 - £100,000
-------------------------------------	--------------------

No travel and subsistence expenses were reimbursed to the governors during the year to 31 August 2013

THE DUNHAM TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 AUGUST 2013

13 Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

14 Tangible fixed assets

	Leasehold land & buildings £000	Fixed assets under construction £000	Fixtures, fittings & equipment £000	Computer equipment £000	Total £000
Cost					
Transfer on conversion	658	-	34	2	694
Additions	-	368	2	23	393
Disposals	-	-	-	-	-
At 31 August 2013	<u>658</u>	<u>368</u>	<u>36</u>	<u>25</u>	<u>1,087</u>
Depreciation					
Charged in year	-	-	12	7	19
Disposals	-	-	-	-	-
At 31 August 2013	<u>-</u>	<u>-</u>	<u>12</u>	<u>7</u>	<u>19</u>
Net book values					
At 31 August 2013	<u>658</u>	<u>368</u>	<u>24</u>	<u>18</u>	<u>1,068</u>

On conversion to academy status both Elmridge Primary School and Acre Hall Primary School inherited the leasehold interest in the school land from Trafford Borough Council. Buildings to the value of £nil are included in fixed asset additions being the depreciated replacement cost, estimated by the trustees as at 1 September 2012 (Elmridge Primary School) and 1 July 2013 (Acre Hall Primary School). The total land value included in fixed asset is £658,000.

15 Debtors

	2013 £000
VAT recoverable	24
Prepayments and accrued income	1,301
	<u>1,325</u>

16 Creditors' amounts falling due within one year

	2013 £000
Trade creditors	2
Accruals and deferred income	548
	<u>550</u>

Deferred income

	2013 £000
Deferred income at 1 September 2012	-
Resources deferred in the year	(32)
Deferred income at 31 August 2013	<u>(32)</u>

THE DUNHAM TRUST
NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE PERIOD ENDED 31 AUGUST 2013

17 Funds	Balance at 1 9 12 £000	Incoming resources £000	Resources expended £000	Gains, losses & transfers £000	Balance at 31 8.13 £000
Restricted general funds					
General Annual Grant (GAG)	-	935	(1,021)	144	58
Start Up Grant	-	118	(39)	(79)	-
Capital grant inherited on conversion	-	486	-		486
SLE development grant	-	1	(1)		-
Conversion grant	-	120	(34)	(86)	-
SEND grant	-	15	(15)		-
Capacity grant	-	13	(13)		-
Collaboration funding grant	-	47	-		47
CfBT grant	-	26	(26)		-
NLE grant & bursary	-	28	(24)	(4)	-
Childrens centre grant	-	5	(5)		-
Academies Capital Maintenance Funding	-	755	-	-	755
Local authority grants	-	149	(149)		-
	-	2,698	(1,327)	(25)	1,346
Pension reserve	-	(359)	(14)	10	(363)
	-	2,339	(1,341)	(15)	983
Restricted fixed asset funds					
Capital grants	-	368	(3)	-	365
Capital expenditure from GAG	-	-	-	25	25
Inherited on conversion	-	694	(16)	-	678
	-	1,062	(19)	25	1,068
Total restricted funds	-	3,401	(1,360)	10	2,051
Unrestricted funds	-	197	(30)	-	167
Total funds	-	3,598	(1,390)	10	2,218

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objectives of the trust

The SLE development grant, SEND grant, Collaboration funding grant and the NLE grant and bursary are resources that have been designated restricted by the grant provider for teaching schools activities relating to the development of the quality of education in other schools

The capacity grant is funding that has been designated restricted by the grant provider for expanding the capacity of the sponsored school

The CfBT grant is funding that has been designated restricted by the grant provider for research and development activities relating to the promotion and development of the teaching of modern foreign languages

The children's centre grant is funding that has been designated as restricted by the grant provider for the support of English as an additional language for the Early Years age group

THE DUNHAM TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 AUGUST 2013

17 Funds (continued)

Restricted fixed asset funds are those funds relating to the long term assets of the trust used in delivering the objectives of the trust

Unrestricted funds are those funds to which the board of trustees may use in the pursuance of the trust's objectives and are expendable at the discretion of the trustees

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013

Analysis of academies by fund balance

Fund balances at 31 August 2013 were allocated as follows

	Total £000
Elmridge Primary School	960
Acre Hall Primary School	553
Total before fixed assets and pension reserve	1,513
Restricted fixed asset fund	1,068
Pension reserve	(363)
Total	2,218

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows

	Teaching & educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
	£000	£000	£000	£000	£000
Elmridge Primary School	605	199	27	260	1,091
Acre Hall Primary	90	67	35	88	280
Academy trust	695	266	62	348	1,371

18 Analysis of net assets between funds

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£000	£000	£000	£000
Tangible fixed assets	-	-	1,068	1,068
Current assets	167	1,896	-	2,063
Current liabilities	-	(550)	-	(550)
Pension scheme liability	-	(363)	-	(363)
Total net assets	167	983	1,068	2,218

19 Capital commitments

	2013 £000
Contracted for but not provided in the financial statements	755

At 31 August 2013 the trust was committed to carrying out extensive building works at Elmridge Primary School. The total cost of these works is estimated to be £1,123,000. Funding has been secured to cover the entire cost of the build in the form of an Academies Capital Maintenance Funding Grant.

THE DUNHAM TRUST
NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE PERIOD ENDED 31 AUGUST 2013

20 Financial commitments

Operating leases

At 31 August 2013 the academy had annual commitments under non-cancellable operating leases as follows

	2013
	£000
Land and buildings	
Expiring within one year	-
Expiring within two and five years inclusive	-
Expiring in over five years	-
	-
Other	
Expiring within one year	3
Expiring within two and five years inclusive	4
Expiring in over five years	-
	7

21 Reconciliation of net income to net cash inflow from operating activities

	2013
	£000
Net income	2,208
Donated assets	(944)
Depreciation (note 14)	19
Capital grants from DfE/EFA and other capital income	(1,123)
FRS 17 pension cost less contributions payable (note 26)	14
(Increase)/decrease in debtors	(1,325)
(Decrease)/increase in creditors	550
	(601)

22 Capital expenditure and financial investment

	2013
	£000
Purchase of tangible fixed assets	(393)
Capital grants from DfE/EFA	1,123
	730

23 Analysis of changes in net funds

	At	Cash	At
	1.09.12	flows	31.8 13
	£000	£000	£000
Cash in hand and at bank	-	738	738
	-	738	738

24 Contingent liabilities

During the period of the funding agreement, in the event of the sale or disposal by other means of any asset for which a government capital grant was received, the academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State

THE DUNHAM TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 AUGUST 2013

24 Contingent liabilities (continued)

Upon termination of the funding agreement, whether as a result of the Secretary of State or the academy serving notice, the academy shall repay to the Secretary of State sums determined by reference to

a) the value at that time of the academy's site and premises and other assets held for the purpose of the academy, and

b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement

25 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/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member

26 Pension and similar obligations

The academy'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 Tameside Metropolitan Borough Council Both are defined-benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership

Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract Teachers and lecturers are able to opt out of the TPS

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament 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 under arrangements governed by the above Act

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases) From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return

THE DUNHAM TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 AUGUST 2013

26 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The government accepted Lord Hutton's recommendations as the basis for consultation and ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include a pension based on career average earnings, an accrual rate of 1/57th, and a normal pension age equal to state pension age, but with options to enable members to retire earlier or later than their normal pension age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a government commitment that those within 10 years of normal pension age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

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26 Pension and similar obligations (continued)

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40/80/100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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 contribution made for the year ended 31 August 2013 was £46,279, of which employer's contributions totalled £34,519 and employees' contributions totalled £11,760. The agreed contribution rates for future years are unconfirmed.

As described in note 1 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

Principal actuarial assumptions

	At 31 8.13
Rate of increase in salaries	4.60%
Rate of increase for pensions in payment / inflation	2.80%
Discount rate for scheme liabilities	4.60%
Inflation assumption (CPI)	2.90%

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below.

	Approximate % increase to employer liability	Approximate monetary amount £000
Change in assumptions at 31 August 2012		
0.5% decrease in real discount rate	13%	76
1 year increase in member life expectancy	3%	17
0.5% increase in the salary increase rate	6%	33
0.5% increase in the pension increase rate	7%	40

THE DUNHAM TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 AUGUST 2013

26 Pension and similar obligations (continued)

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

	At 31 8.13
Retiring today	
Males	20 1 years
Females	22 9 years
Retiring in 20 years	
Males	22 5 years
Females	25 0 years

The academy's share of the assets and liabilities in the scheme and the expected rates of return were

	Expected return at 31 8.13	Fair value at 31 8.13 £000
Equities	6 60%	842
Bonds	3 90%	210
Property	4 70%	70
Cash	3 60%	47
Total market value of assets		1,169
Present value of scheme liabilities		
- Funded		(1,532)
Surplus/(deficit) in the scheme		(363)

The rates of return have been determined using the Hymans Robertson Asset Model which is a type of model known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model. The expected returns have been calculated using 5,000 simulations of the Hymans Robertson Asset Model, calibrated using market data as at a recent date.

The actual return on scheme assets was £62,000

Amounts recognised in the statement of financial activities

	2013 £000
Current service cost (net of employee contributions)	46
Past service cost	240
Total operating charge	286

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	(22)
Interest on pension liabilities	26
Pension finance income / (costs)	4

THE DUNHAM TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 AUGUST 2013

26 Pension and similar obligations (continued)

The actual gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £31,000 loss.

Movements in the present value of defined benefit obligations were as follows.

	2013
	£000
At 1 September	438
Current service cost	46
Interest cost	26
Employee contributions	12
Actuarial (gain)/loss	31
Liabilities assumed in a business combination	979
	1,532

At 31 August

Movements in the fair value of academy's share of scheme assets

	2013
	£000
At 1 September	319
Expected return on assets	22
Actuarial gain/(loss)	41
Employer contributions	36
Employee contributions	12
Assets acquired in a business combination	739
	1,169

At 31 August

The estimated value of employer contributions for the year ended 31 August 2014 is £76,000.

The five-year history of experience adjustments is as follows

	2013
	£000
Present value of defined benefit obligations	(1,532)
Fair value of share of scheme assets	1,169
Surplus/(Deficit) in the scheme	(363)

Parliament has agreed, at the request of the Secretary of State for Education, to 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.

27 Related party transactions

Governors who are also members of staff of the academy have been paid in accordance with national agreed levels as members of staff. There have been no other transactions with related parties that require reporting under FRS8.

During the year M Appleyard, J Appleyard's husband, invoiced Elmridge Primary School £500 for SEN consultancy services provided to trust.

THE DUNHAM TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 AUGUST 2013

27 Related party transactions (continued)

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

28 Conversion to an academy trust

On 1 September 2012 the Elmridge Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred initially to the Elmridge Academy Trust and then to The Dunham Trust from the Trafford Local Authority for £nil consideration.

On 1 July 2013 the Acre Hall Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Dunham Trust from the Trafford Local Authority for £nil.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the statement of financial activities.

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

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
Leasehold land and buildings	-	-	658	658
Other tangible fixed assets	-	-	36	36
Budget surplus/(deficit) on LA funds	-	486	-	486
Budget surplus/(deficit) on other school funds	62	-	-	62
LGPS pension surplus/(deficit)	-	(359)	-	(359)
Net assets/(liabilities)	62	127	694	883

The above net assets include £609,000 that was transferred as cash.