

**Report of the Trustees and  
Financial Statements  
for the Year Ended 31 August 2020  
for  
Saturn Education Trust**

Ward Goodman  
Statutory Auditor  
4 Cedar Park  
Cobham Road  
Ferndown Industrial Estate  
Wimborne  
Dorset  
BH21 7SF

# **Saturn Education Trust**

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## **Saturn Education Trust**

### **Reference and Administrative Details for the Year Ended 31 August 2020**

<b>MEMBERS:</b>	K Sutton (resigned 29.2.2020) Canon J Tubbs Very Reverend J Mann B P Mullany S Turnock (resigned 29.2.2020)
<b>TRUSTEES</b>	L C Manningham-Buller (resigned 29.2.2020) B P Mullany T M Evans (resigned 29.2.2020) A Hansford (resigned 29.2.2020) I Jackson (resigned 29.2.2020) D Hounsell S Craig Accounting Officer L Bonay (resigned 29.2.2020)
<b>COMPANY SECRETARY</b>	J Ramsden
<b>REGISTERED OFFICE</b>	Corfe Castle CE Primary School East Street Corfe Castle Wareham Dorset BH20 5EE
<b>REGISTERED COMPANY NUMBER</b>	09578698 (England and Wales)
<b>AUDITORS</b>	Ward Goodman Statutory Auditor 4 Cedar Park Cobham Road Ferndown Industrial Estate Wimborne Dorset BH21 7SF

**Saturn Education Trust**  
**Report of the Trustees**  
**for the Year Ended 31 August 2020**

The trustees of the Saturn Education Trust ('the Trust') present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Until 29th February 2020, the Trust operated three rural primary schools within the Purbeck area of Dorset, namely Corfe Castle CE Primary School ('Corfe Castle'), St Mark's CE Primary School ('St Mark's') and Wareham St Mary CE Primary School ('Wareham St Mary'). It had a combined pupil capacity of 525 and has a roll of 439 (2018 - 459) in the schools based on the Autumn 2019 census.

At 1st March 2020, all three academies within the Trust transferred to the Coastal Learning Partnership.

## **OBJECTIVES AND ACTIVITIES**

### **Objects and Aims**

The Trust's object, as set out in its Articles of Association, is:

"to advance, for the public benefit, education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:

- i.** Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education; and
- ii.** Other Academies whether with or without a designated religious character; but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England."

In pursuit of this object, the core aim of the Trust is to improve the outcomes and create better opportunities for all our young people in our local communities.

All schools within the Trust are committed to provide our children with excellent education; we are committed to nurture and inspire our children to achieve their potential; morally, spiritually, socially, culturally and academically; regardless of their educational needs and their social, economic or cultural background. We want to ensure that all those who leave our schools are confident, and can think and act responsibly and independently.

The Trust's philosophy revolves around securing a thriving, vibrant future for local schools which might otherwise find it hard to excel in a world of increasingly scarce skills and reduced funding. It was within this context that the Trust determined that its future was best served by forging a stronger partnership with two other local Trusts.

### **Objectives, Strategies and Activities**

The key objective for the year was to improve attainment and progress outcomes at all schools within the Trust whilst in parallel contributing to the design and preparation for the merger with two other local Trusts.

### **Public benefit**

The trustees confirm that they have complied with the duty contained in the Charities Act 2011 to have due regard to the Charities Commission's general guidance on public benefit in exercising their duties. The trustees have referred to this guidance when reviewing the Trust's aims and objectives, and in planning its future activities.

The Trust provides opportunities for children, their parents and the local communities that it serves through a range of extra-curricular activities and opportunities.

The Trust supports all schools and develops the 'Share-Support-Challenge' ethos across all that we do. We have very clear commitments to raise outcomes for children across all schools and share the good practice. We consistently maintain relationships with other local schools and the local community.

**Saturn Education Trust**  
**Report of the Trustees**  
**for the Year Ended 31 August 2020**

**STRATEGIC REPORT**

**Achievement and performance**

As reported in our 2018/19 report, the Trust was increasingly involved in discussions with two other Trusts, Ocean Learning Trust and Harbourside Learning Partnership. All three trusts shared a similar ambition - to achieve outstanding education in a climate which values school individuality and so allows them to operate with a high level of earned autonomy - and all three Trusts found themselves at the point of readiness for growth. The proposal to merge the three Trusts to become Coastal Learning Partnership (CLP) was approved by the Regional Schools' Commissioner in July 2019 and supported by the two Anglican Dioceses involved, Salisbury and Winchester. Since July 2019, many activities have progressed to undertake the merger, including:

- Full consultation with staff, community, two Dioceses and other partners
- Appointment of a new Board of Trustees
- Determination of a central Senior Leadership staffing structure and subsequent appointment to that structure
- Successful application for additional funding to support the merger activity (Trust Capacity Fund grant awarded to the value of £282,383)
- Successful application for CLP to be a recognised sponsor MAT
- CLP approved as a sponsor for a local school in difficulty which, subject to future due diligence, will bring the number of members schools to 16
- Procurement of new core, integrated systems for finance, HR and compliance
- Development of new Trust-wide policies
- Successful appointment to Headteacher vacancies
- Successful appointment to a newly created school improvement post to further build capacity
- Design of new assessment systems and processes
- Design of new arrangements for self-evaluation and school improvement
- Defining the Trusts vision and values

In parallel to the merger efforts, the Trust has continued to focus on working across the three schools to share expertise and deliver needed improvements to provision at Wareham St Mary and Corfe Castle schools. The impact of the changes are visible but will take further time to evidence, under the leadership of the new Coastal Learning Partnership.

As previously recognised, the staff across the schools have continued to evidence enormous resilience and commitment during some difficult periods. This, combined with the wide range of volunteer support, provide the foundations for continued development of the trust schools. We thank the many volunteers who have raised funds, provided reading support and helped govern our schools. Their support is invaluable.

**Saturn Education Trust**  
**Report of the Trustees**  
**for the Year Ended 31 August 2020**

**STRATEGIC REPORT**

**Academic Performance Indicators**

The Trust measures pupils' attainment and progress throughout their journey within our schools. Nationally, performance measures are primarily related to four points in this journey; end of Reception year, end of year 1 (phonics), end of year two (core subjects) and end of year six (core subjects).

The Trust has previously reported outcomes for the end of the academic year 2018/19 and outcomes for 2019/20 will be reported by the new Coastal Learning Partnership

**Non Academic Performance Indicators**

In addition to the academic outcomes, we also have a range of non academic indicators. Those that are strong indicators of income and expenditure controls are pupil numbers and staff ratios respectively.

**Reserves**

One measure of the financial strength of the Trust is the level of reserves held by academies within the Trust. The target range set by the newly formed Coastal Learning Partnership is to hold as reserves between 5-7% of the overall full year General Annual Grant including Teacher Pay Award and Teacher Pension Employer Contribution Grant funding for 2019/20. At 29th February 2020, the reserves of the Saturn Education Trust were 15.3%.

**Pupil Numbers**

Pupil numbers have stabilised but there remains an over-capacity of school places in schools across Purbeck.

School	Pupil Numbers at Census Date			
	October 2017	October 2018	October 2019	February 2020
Corfe Castle	108	101	91	91
Wareham St Mary	190	185	187	187
St Marks	172	173	161	160
Total	470	459	439	438

**Cost Ratios**

A further measure that the Trust considers is the overall staff payroll costs as a percentage of total income. A broad national benchmark is around 80% although this is substantially impacted by characteristics of the specific setting. Overall for the Trust this indicator has for the half year reported in these accounts is 79.4%.

We also completed the national self-assessment framework for schools' resource management. This also showed that generally our key indicators were broadly in line with similar schools. It reflected higher than norm spending on education support staff at Corfe Castle but this is consistent with high number of children at that school who have an Education Health and Care Plan.

**Investment policy**

The Trust is firmly committed to ensuring that all funds under its control are administered under a risk averse investment strategy. As such the Trustees do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the funds entrusted to the Board.

**Reserves policy**

During the year the Trust reviewed its reserves to recognise the specific risks for which the reserves are held. The principle of the Trust's policy is to spend its revenue income on the pupils in its care during that year. Please refer to Note 20 (allocation of reserves) for further detail. Current reserves exceed the minimum reserves that the Trust aims to maintain.

**Saturn Education Trust**  
**Report of the Trustees**  
**for the Year Ended 31 August 2020**

**STRATEGIC REPORT**

**Going concern**

Following the merger activity described in the Future Plans section of this report Saturn Education Trust will dissolve as a company once these financial statements have been submitted at companies house. The schools themselves will continue to operate into the foreseeable future but under a new company, Coastal Learning Partnership, company number 09628750.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**Financial Review**

Most of the Trust's income is obtained from the Department for Education ('DfE') via the Education & Skills Funding Agency ('ESFA') in the forms of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during this reporting period and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities ('SOFA').

As at 29th February 2020, the Trust had Revenue Reserves totalling £153,487 (note 20) which combines the unrestricted (General Fund) of £50,889 and the restricted (General Fund) of £102,598. This compared to a total of £168,610 at 31 August 2019. Whilst this shows a reduction, the Trust has broadly operated an in-year balanced budget during this period. There is also a capital reserve across the 3 academies reflecting the remainder of capital income carried forward at £5,197 (2019: £9,956)

As at 29th February 2020, the Trust's Balance Sheet showed a Net Current Assets position of £158,684 (£178,566, August 2019). Due to the requirement of disclosing the Trust's element of the deficit within the Local Government Pension Scheme (Non-teaching Staff) amounting to £1,604,000 (£1,452,000, August 2019) resulting in a Net Liability position of £1,413,865 (£1,247,423, August 2019). Due to the nature of the funding agreement for the Trust, this scheme is backed by the DfE.

The deficit is incorporated within the SOFA with details within note 20 to the financial statements.

At 1 March 2020 all assets and liabilities of the Trust were transferred to the Coastal Learning Partnership.

**Saturn Education Trust**  
**Report of the Trustees**  
**for the Year Ended 31 August 2020**

**STRATEGIC REPORT**

**Principal risks and uncertainties**

The principal risks and uncertainties facing the Trust are as follows:

**Reputational**

The Board recognises a range of factors including academic outcomes, OFSTED ratings, pupil behaviour and parental engagement which, if not properly managed, could lead to damage to the reputation of the Trust. To mitigate these risks, the Board has embedded comprehensive reporting systems at school and trust level to provide regularly updates on key indicators such as attainment, progress, attendance and delivery of improvement plans.

**Teaching**

The Board recognises that the quality of teaching in every classroom is fundamentally important to the success of the Trust. The Trust continues to invest in monitoring and assessment processes and systems to ensure that the quality of teaching is continuously evaluated. We continue to invest in training in order to ensure all staff share and develop the skills required and we recognise the need to further develop consistent strategies to deliver excellent outcomes for our children with educational disadvantage.

**Infrastructural**

The Board recognises that the health, safety and safeguarding of all pupils, staff and visitors to our schools is of paramount importance. Consistent policies and procedures are adopted across all schools, including regular site and safeguarding audits, and are integral to managing these risks.

**Financial**

The Board recognises that effective financial management is critical if the Trust is to thrive in an educational context that is increasingly short of financial resources. Robust strategic and annual budgeting, monthly reporting, internal and external audits, segregation of duties and robust operational processes are in place.

**Governance**

The Board recognises the risks associated with its reliance of good volunteer governance of each school and the Trust as a whole. Encouraging robust challenge, ensuring the right governance skills and having in place an effective scheme of delegation are key to mitigating these risks.

The Trust continues to manage the above risks through regular review of the risks and periodic reporting.

**Future plans**

The academies within the Trust transferred into Coastal Learning Partnership (CLP) on 1st March 2020 and so its future plans are inextricably linked to the forward development of that new organisation.

CLP has defined its future vision - encapsulated as 'Broadening Horizons Together' - and it has set out the values which shape its ethos and culture: serve, inspire and empower. Currently, work continues around the implementation of new systems, processes and structures which will form the basis of the trust's future efficiencies and successes. Its longer term strategic plan is not yet fully defined but the broad priorities taking shape are:

1. Ensuring the successful merger of the original three founding Trusts and subsequently develop in line with a considered growth strategy.
2. Ensuring that an effective Partnership strategy for school improvement is well-embedded.
3. Establishing the Partnership as an 'employer of choice' and successfully recruiting, retaining and developing staff.
4. Securing the strongest possible financial position for the Partnership through efficiencies and increased income.
5. Providing increasingly effective and efficient central support.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Charity constitution**

The Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of associations are the primary governing documents of the Trust. The trustees of Saturn Education Trust are also the directors of the charitable company for the purpose of company law. The charitable company is known as the Saturn Education Trust. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

**Saturn Education Trust**  
**Report of the Trustees**  
**for the Year Ended 31 August 2020**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**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**

In accordance with normal practice, the Trust has secured liability protection for claims against any member, trustee or governor arising from negligent acts, errors or omissions whilst on Trust business. This protection is provided through the Department for Education Risk Protection Arrangement (RPA). As an alternative to commercial insurance for academy trusts, under RPA the UK government covers the losses instead of commercial insurance.

**Recruitment and appointment of new trustees**

The Trust Board composition is reviewed at the Annual General Meeting of members. The Board has reviewed the skills and experience it needs and seeks to recruit new trustees, when needed, to meet these needs. Trustees are appointed in accordance with the provisions in the Trust's Articles of Association.

**Induction and Training of New Trustees**

Trustee induction is led by the Chair of the Trust Board. Training sessions are held as required to meet identified needs and the Trust is able to draw upon services from Dorset Council and the Salisbury Diocesan Board of Education ('SDBE') to provide individual trustees with guidance, support and training services.

**Saturn Education Trust**  
**Report of the Trustees**  
**for the Year Ended 31 August 2020**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Organisational structure**

The Trust Board may exercise all the powers of the Company and is accountable to the Members (under the Trust's Articles of Association) and to the Secretary of State for Education (under statute and the Trust's Funding Agreement). During 2019-20, the Trust Board met on three occasions to discharge these responsibilities and established a further committee, the Finance, Pay and Audit Committee, which met on one occasion. The Trust Board delegated the following responsibilities to the Finance, Pay and Audit Committee:

- to review the risks that the Trust recognises and advise the Board of the appropriateness of the risk assessment and management strategies
- to put in place appropriate and effective internal and external audit processes
- to ensure that the Trust has effective processes for planning and overseeing all contracts
- to ensure that the Trust has an effective performance management process
- to advise the Board on the financial planning and budget setting for the Trust
- to monitor the agreed budget throughout the year and advise the Board on any substantive deviation from the budget or budget forecast
- to review pay awards annually for all staff across the Trust.

The Trust Board is non-executive other than the Chief Executive Officer (CEO) of the Trust. The day-to-day operation of the Trust is delegated by the Board to the CEO, and whose performance is reviewed as part of the Trust-wide performance management arrangements. The Trust Board delegates the following responsibilities to the CEO:

- ensure the Trust fulfils all its legal and regulatory requirements
- understand the national and local context for education and ensure these are reflected in local priorities
- develop (with the Trust), and lead delivery of, the strategic vision for the Trust
- ensure (with the Academic Board) that the curriculum across all schools develops to meet the current and future educational needs
- evaluate all schools' performance and identify with the Academic Board priorities for improvement and ensure delivery of agreed improvements and targets
- ensure that the overall strategy for pupils with special educational needs and disabilities is effective and complies with national guidelines and expectations
- recruit, manage and ensure the development of the Trust's leadership team
- ensure the proper management of finance and budgets, including acting as the Trust Accounting Officer
- ensure that third party agencies are delivering the services that schools require
- ensure the health, safety and safeguarding of all staff and pupils
- market and promote the Trust to parents and the community
- develop and expand the Trust.

**Saturn Education Trust**  
**Report of the Trustees**  
**for the Year Ended 31 August 2020**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

The CEO is the Accounting Officer under the Trust's Funding Agreement, and as such is accountable to Parliament for the finance and administrative arrangement of the Trust. The CEO directs the Trust Team Leader for Finance and Administrative who is designated as the Trust's Chief Financial Officer.

Each school has a Local Governing Body ('LGB'). The LGBs are non-executive other than each school's Head of School. The Trust Management Board delegates the following responsibilities to each LGB:

- to set and periodically review the school ethos, aims and objectives
- to review and approve the school's self-evaluation, including consideration of external reports and assessments
- to review, approve and monitor the school performance targets and development plan
- to monitor progress and attainment of all pupils, including analysis for all key cohorts and vulnerable groups
- to review the curriculum policy and ensure that all areas of the curriculum are periodically reviewed, assessed and developed as needed and desired
- to report as required to the Trust Board on matters including, but not limited to, pupil progress and attainment, improvement initiatives, spending of targeted budgets (e.g.: Pupil Premium, Sports funding) and attendance
- to review and approve school brochures and the annual report, if required, to parents
- to appoint local governors for safeguarding and health & safety and receive periodic reports from the same
- to review, approve and monitor schools attendance, behaviour and bullying policies
- to review the school staffing structure including key roles and responsibilities for approval by the Trust Board
- to advertise as required and appoint staff (with the exception of the Head of School) to fill agreed vacancies in the approved staffing structure
- to review and respond to staff survey outcomes
- to review and respond to parent survey outcomes
- to ensure the school adopts defined Trust policies and develops local school policies as required
- to agree how the school discretionary budget should be used and ensure effective monitoring and control of all aspects within the school's control
- to maintain a Register of Business and Pecuniary Interests for all governors and senior school staff with financial responsibilities
- to review the governing body's effectiveness and identify required recruitment, training and development.

**Saturn Education Trust**

**Report of the Trustees**  
**for the Year Ended 31 August 2020**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

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

Members, trustees and governors are not remunerated other than the CEO and Heads of School. Pay and remuneration is set under the Trust's Pay Policy which is reviewed annually by the Trust Board. The Pay Policy follows the model Dorset Council Policy which is consistent with the annually issued School Teachers' Pay and Conditions Document.

As required under the Trust's Funding Agreement, all teachers, including the CEO and Heads of School, are offered access to the national Teachers' Pension Scheme. All other staff are offered access to the Local Government Pension Scheme.

**Trade union facility time**

Relevant union officials

Number of employees who were relevant union official during the relevant period

Full-time equivalent employee numbers 2020 (2019)  
55.01 (57.01)

Percentage of time spent on facility time

Percentage of time

0%

1%-50%

51-99%

100%

Number of employees

100% (100%)

0% (0%)

0% (0%)

0% (0%)

Percentage of pay bill spent on facility time

Total cost of facility time

£0 (£0)

Total pay bill

£1,105,697 (£2,2123,022)

Percentage of total pay bill spent on facility time

0% (0%)

Paid trade union activities

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

0% (0%)

**Related parties**

The Trust is linked to the Diocese of Salisbury through the Salisbury Diocesan Board of Education ('SDBE') which is a member of the Trust.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

**AUDITORS**

Insofar as the trustees are aware:

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

The auditors, Ward Goodman, will be resigning before the next annual general meeting.

**Saturn Education Trust**  
**Report of the Trustees**  
**for the Year Ended 31 August 2020**

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on ..... and signed on the board's behalf by:

.....  
B P Mullany - Trustee

**Saturn Education Trust**

**Governance Statement**  
**for the Year Ended 31 August 2020**

**Scope of Responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that Saturn 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 of loss.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of the trustees has delegated the day-to-day responsibility to the Principal, 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 Saturn 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.

As trustees, we acknowledge we have overall responsibilities for ensuring that the 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 Trust Board has delegated the day-to-day responsibilities to the CEO, 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 Saturn Education Trust and the Secretary of State for Education. The CEO also has responsibility for reporting to the Trust Board 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 Trust Board has formally met three times during the period. Attendance was as follows:

Trustees	Meetings attended	Out of a possible
L Bonay (resigned 29/02/2020)	2	3
S Craig	3	3
T M Evans (resigned 29/02/2020)	2	3
A Hansford (resigned 29/02/2020)	2	3
D Hounsell	3	3
Rev I Jackson (resigned 29/02/2020)	2	3
L Manningham-Buller (resigned 29/02/2020)	2	3
B Mullany (Chair)	3	3

The Finance Audit & Pay Committee is a sub-committee of the main board of trustees. Its purpose is to:

- To review the risks that the Trust recognizes and advise the Board of the appropriateness of the risk assessment and management strategies
- To put in place appropriate and effective internal and external audit processes
- To ensure that the Trust has effective processes for planning and overseeing all contracts
- To ensure that the Trust has an effective performance management process
- To advise the Board on the financial planning and budget setting for the Trust
- To monitor the agreed budget throughout the year and advise the Board on any substantive deviation from the budget or budget forecast
- To review pay awards annually for all staff across the Trust.

During this reporting period (2019/20) the committee met three times.

Trustees	Meetings Attended	Out of a possible
S Craig	1	1
T M Evans (resigned 29/02/2020)	1	1
A Hansford (resigned 29/02/2020)	1	1
B Mullany	1	1

**Saturn Education Trust**  
**Governance Statement**  
**for the Year Ended 31 August 2020**

**Review of Value for Money**

As Accounting Officer, the Chief Executive Officer had responsibility for ensuring that the Trust delivered good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considered how the Trust's use of its resources has provided good value for money during each academic year, and reported to the Trust Board where value for money could be improved, including the use of benchmarking data where appropriate.

**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 charitable company 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 Saturn Education Trust for the period 1 September 2019 to 29 February 2020 and up to the date of approval of the annual report and financial statements.

The system of internal control was 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 was based on an on-going process designed to identify and prioritize the risks to the achievement of 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 Saturn Education Trust for the period 1 September 2019 to 29 February 2020 at which point responsibility for the program of internal control review passed to Coastal Learning Partnership.

**Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 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 Trust Board reviewed the key risks to which the Trust was exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trust Board was of the view that there was a formal on-going process for identifying, evaluating and managing the Trust's significant risks in place for the period 1st September 2019 to 29th February 2020. The system of internal control has been in place in Saturn Education Trust for the period 1 September 2019 to 29 February 2020 at which point responsibility for the program of internal control review passed to Coastal Learning Partnership.

**Saturn Education Trust**  
**Governance Statement**  
**for the Year Ended 31 August 2020**

**The Risk and Control Framework**

The 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, Audit & Pay 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 2018/19 internal control review was carried out by A Hansford (a Director of the Trust). The nature of the review was to look at the systems and processes (internal checks) that the Trust operated and to make recommendation.

The internal review followed the Charities Commission guidance (CC8) - Internal Financial Controls for Charities. In particular the checks carried out included:

- testing of Income - Cash Handling
- testing of purchase systems
- testing of control accounts
- testing of fixed assets

The review provides assurance on the operation of the system of control and on the discharge of the Trust Board financial responsibilities.

No internal audit visits were carried out during this reporting period.

**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 internal control review
- the work of the external auditor
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Audit & Pay Committee.

Approved by order of the members of the Board of Trustees on \_\_\_\_\_ 2020 and signed on its behalf by:

.....  
B P Mullany - Trustee

.....  
Ms S Craig - Accounting Officer

**Saturn Education Trust**

**Statement on Regularity, Propriety and Compliance  
for the Year Ended 31 August 2020**

As accounting officer of Saturn Education Trust I have considered my responsibility to notify the charitable company board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the charitable company, under the funding agreement in place between the charitable company 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 2019.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2019.

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.

.....  
Ms S Craig - Accounting Officer

Date: .....

## **Saturn Education Trust**

### **Statement of Trustees' Responsibilities for the Year Ended 31 August 2020**

The trustees (who act as governors of Saturn Education Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those 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 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 ESFA/DfE have been applied for the purposes intended.

Approved by order of the board of trustees on ..... and signed on its behalf by:

.....  
B P Mullany - Trustee

## **Report of the Independent Auditors to the Members of Saturn Education Trust**

### **Opinion**

We have audited the financial statements of Saturn Education Trust (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland';
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2019 to 2020.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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.

### **Emphasis of matter**

We draw attention to Note 2 to the financial statements which explains that the merger with Coastal Learning Partnership will lead to Saturn Education Trust being dissolved as a company. Therefore we do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 2. Our opinion is not modified in this respect of this matter.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

### **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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

## **Report of the Independent Auditors to the Members of Saturn Education Trust**

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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.

### **Responsibilities of trustees**

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 to cease operations, or have no realistic alternative but to do so.

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

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

### **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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr I M Rodd BSc FCA FCCA (Senior Statutory Auditor)  
for and on behalf of Ward Goodman  
Statutory Auditor  
4 Cedar Park  
Cobham Road  
Ferndown Industrial Estate  
Wimborne  
Dorset  
BH21 7SF

Date: .....

## **Independent Reporting Auditor's Assurance Report on Regularity to Saturn Education Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Saturn Education Trust during the period 1 September 2019 to 31 August 2020 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 Saturn Education Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Saturn Education Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Saturn Education Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Saturn Education Trust's accounting officer and the reporting auditor**

The accounting officer is responsible, under the requirements of Saturn Education Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

### **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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mr I M Rodd BSc FCA FCCA (Senior Statutory Auditor)  
for and on behalf of Ward Goodman  
Statutory Auditor  
4 Cedar Park  
Cobham Road  
Ferndown Industrial Estate  
Wimborne  
Dorset  
BH21 7SF

Date: .....

**Saturn Education Trust**

**Statement of Financial Activities  
(Incorporating an Income and Expenditure Account)  
for the Year Ended 31 August 2020**

	Notes	Unrestricted fund £	Restricted funds £	Pension reserve £	2020 Total funds £	2019 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and capital grants	4	-	5,722	-	5,722	2,096
<b>Charitable activities</b>						
Funding for the academy's educational operations	5	-	1,245,607	-	1,245,607	2,375,030
Other trading activities	6	-	17,005	-	17,005	12,815
Investment income	7	-	98	-	98	213
Other income		<u>3,657</u>	<u>29</u>	<u>-</u>	<u>3,686</u>	<u>11,511</u>
<b>Total</b>		3,657	1,268,461	-	1,272,118	2,401,665
<b>EXPENDITURE ON</b>						
<b>Charitable activities</b>						
Academy's educational operations	8	-	1,279,278	94,000	1,373,278	2,626,049
Other		<u>-</u>	<u>7,963</u>	<u>-</u>	<u>7,963</u>	<u>15,463</u>
<b>Total</b>	8	-	1,287,241	94,000	1,381,241	2,641,512
<b>NET INCOME/(EXPENDITURE)</b>		3,657	(18,780)	(94,000)	(109,123)	(239,847)
<b>Other recognised gains/(losses)</b>						
Gains/(losses) on revaluation of fixed assets		(50,889)	(138,565)	1,604,000	1,414,546	-
Actuarial gains/(losses) on defined benefit schemes		<u>-</u>	<u>-</u>	<u>(58,000)</u>	<u>(58,000)</u>	<u>(211,000)</u>
<b>Net movement in funds</b>		(47,232)	(157,345)	1,452,000	1,247,423	(450,847)
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		<u>47,232</u>	<u>157,345</u>	<u>(1,452,000)</u>	<u>(1,247,423)</u>	<u>(796,576)</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,247,423)</u>

The notes form part of these financial statements

# Saturn Education Trust

## Balance Sheet 31 August 2020

	Notes	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets	15	-	26,011
<b>CURRENT ASSETS</b>			
Debtors	16	-	31,079
Cash at bank and in hand		-	289,796
		-	320,875
<b>CREDITORS</b>			
Amounts falling due within one year	17	-	(142,309)
<b>NET CURRENT ASSETS</b>		-	178,566
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		-	204,577
<b>PENSION LIABILITY</b>	21	-	(1,452,000)
<b>NET ASSETS/(LIABILITIES)</b>		-	(1,247,423)
<b>FUNDS</b>	20		
Unrestricted funds:			
General fund		-	47,232
Restricted funds:			
Restricted fund		-	121,378
Pension reserve		-	(1,452,000)
Fixed asset fund		-	35,967
		-	(1,294,655)
<b>TOTAL FUNDS</b>		-	(1,247,423)

The financial statements were approved by the Board of Trustees and authorised for issue on ..... and were signed on its behalf by:

.....  
B P Mullany - Trustee

The notes form part of these financial statements

**Saturn Education Trust**

**Cash Flow Statement  
for the Year Ended 31 August 2020**

	Notes	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(276,372)	(29,281)
Bank charges		<u>(119)</u>	<u>(202)</u>
Net cash used in operating activities		<u>(276,491)</u>	<u>(29,483)</u>
 <b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(13,403)	(1,737)
Interest received		<u>98</u>	<u>213</u>
Net cash used in investing activities		<u>(13,305)</u>	<u>(1,524)</u>
		<u>          </u>	<u>          </u>
<b>Change in cash and cash equivalents in the reporting period</b>		(289,796)	(31,007)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>289,796</u>	<u>320,803</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>          -</u>	<u>289,796</u>

The notes form part of these financial statements

**Saturn Education Trust**

**Notes to the Cash Flow Statement  
for the Year Ended 31 August 2020**

**1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2020 £	2019 £
<b>Net expenditure for the reporting period (as per the Statement of Financial Activities)</b>	(109,123)	(239,847)
<b>Adjustments for:</b>		
Depreciation charges	7,963	15,463
Interest received	(98)	(213)
Bank charges	119	202
Transfer out of Academy Trust (Net current assets) due to Merger.	(158,003)	-
Decrease/(increase) in debtors	31,079	(3,450)
(Decrease)/increase in creditors	(142,309)	5,564
Difference between pension charge and cash contributions	<u>94,000</u>	<u>193,000</u>
<b>Net cash used in operations</b>	<u>(276,372)</u>	<u>(29,281)</u>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.9.19 £	Cash flow £	At 31.8.20 £
<b>Net cash</b>			
Cash at bank and in hand	<u>289,796</u>	<u>(289,796)</u>	<u>-</u>
	<u>289,796</u>	<u>(289,796)</u>	<u>-</u>
<b>Total</b>	<u>289,796</u>	<u>(289,796)</u>	<u>-</u>

The notes form part of these financial statements

## **Saturn Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2020**

#### **1. LEGAL FORM**

Saturn Education Trust is a Multi Academy Trust and a Charitable Company limited by guarantee (exempt charity) and registered in England and Wales. The registered office is disclosed on page 1.

#### **2. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2019 to 2020 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

##### **Going concern**

Following the merger activity described in the Future Plans section of this report Saturn Education Trust will dissolve as a company once these financial statements have been submitted at companies house. The schools themselves will continue to operate into the foreseeable future but under a new company, Coastal Learning Partnership, company number 09628750.

##### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received 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 year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised 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 it is probable that the income will be received and the amount can be measured reliably.

##### **Other income**

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

## Saturn Education Trust

### Notes to the Financial Statements - continued for the Year Ended 31 August 2020

#### 2. ACCOUNTING POLICIES - continued

##### **Donated goods, facilities and services**

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

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

##### **Debtors**

Debtors due within one year are measured at undiscounted transaction price.

##### **Creditors**

Creditors due within one year are measured at undiscounted transaction price.

##### **Charitable activities**

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

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Improvements to property	- 2% on cost
Fixtures and fittings	- Straight line over 4 years
Motor vehicles	- Straight line over 4 years

Land and buildings are owned by The Salisbury Diocesan Board of Education. The Academy Trust is licenced to occupy the land and buildings for the purpose of operating Church of England schools for as long as it has a Funding Agreement with the Secretary of State to do so. However, the Diocese has the right to withdraw access with 2 years notice. Land and buildings are therefore not included as fixed assets of the school.

##### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

##### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives 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 can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

## Saturn Education Trust

### Notes to the Financial Statements - continued for the Year Ended 31 August 2020

#### 2. ACCOUNTING POLICIES - continued

##### **Pension costs and other post-retirement benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. The TPS is a multi-employer scheme and the academy trust 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 LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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.

##### **Significant judgements and estimates**

In the application of the charitable company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following paragraph describes the critical judgements, apart from those involving estimates (dealt with separately below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

There are no critical judgements, apart from those involving estimates.

The following are areas that are considered to be key sources of estimation uncertainty.

Useful life and residual values of tangible fixed assets;

The economic useful life of tangible fixed assets and the expected residual value on future disposal is estimated by the Directors based on their experience. The total carrying value of fixed assets at 29 February 2020 is £31,451.

Defined benefit pension deficit;

The defined benefit pension deficit included in the balance sheet is at a valuation provided by a qualified actuary. The actuary makes assumptions and estimates in order to arrive at the figure. The directors have placed reliance on the actuary's valuation.

# **Saturn Education Trust**

## **Notes to the Financial Statements - continued for the Year Ended 31 August 2020**

### **2. ACCOUNTING POLICIES - continued**

#### **Financial instruments**

Financial instruments are recognised in the balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Basic financial assets;

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of future receipts discounted at a market rate of interest.

Basic financial liabilities;

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price. Financial liabilities due in more than one year are initially measured at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities constituting financing transactions are initially measured at the present value of the future payments discounted at a market rate of interest.

Derecognition of financial assets and liabilities;

Financial assets and liabilities are derecognised when the charitable company's contractual rights or obligations expire or are discharged, transferred or cancelled.

### **3. GENERAL ANNUAL GRANT**

Under the funding agreement with the Secretary of State the academy trust was not subject to any limits on the amount of GAG that could be carried forward from one year to the next.

### **4. DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds	Restricted funds	2020 Total funds	2019 Total funds
	£	£	£	£
Donations	<u>-</u>	<u>5,722</u>	<u>5,722</u>	<u>2,096</u>

### **5. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds	Restricted funds	2020 Total funds	2019 Total funds
	£	£	£	£
Catering income	-	3,639	3,639	8,580
Trip income	-	6,347	6,347	14,894
Grants	<u>-</u>	<u>1,235,621</u>	<u>1,235,621</u>	<u>2,351,556</u>
	<u>-</u>	<u>1,245,607</u>	<u>1,245,607</u>	<u>2,375,030</u>

# Saturn Education Trust

## Notes to the Financial Statements - continued for the Year Ended 31 August 2020

### 5. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS - continued

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
<b>DfE/ESFA revenue grant</b>				
General Annual Grant(GAG)	-	963,437	963,437	2,217,362
Other DfE/ESFA Grants	-	225,311	225,311	33,355
	-	1,188,748	1,188,748	2,250,717
<b>Other government grant</b>				
Local Authority (SEND)	-	37,698	37,698	60,172
<b>Other grants</b>				
Other grants	-	9,175	9,175	40,667
	-	1,235,621	1,235,621	2,351,556

### 6. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Other trading income	-	17,005	17,005	12,815

### 7. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Deposit account interest	-	98	98	213

### 8. EXPENDITURE

	Non-pay expenditure			2020	2019
	Staff costs £	Premises £	Other costs £	Total £	Total £
<b>Charitable activities</b>					
<b>Academy's educational operations</b>					
Direct costs	1,132,367	55,782	176,315	1,364,464	2,615,150
Allocated support costs	-	-	8,814	8,814	10,899
	1,132,367	55,782	185,129	1,373,278	2,626,049
Other	-	163	7,800	7,963	15,463
	1,132,367	55,945	192,929	1,381,241	2,641,512

**Saturn Education Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020**

**8. EXPENDITURE - continued**

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£	£
Auditors remuneration	8,019	7,800
Auditor other services	-	2,340
Depreciation - owned assets	7,963	15,463
operating lease rentals	<u>-</u>	<u>841</u>

**9. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds	Restricted funds	2020 Total funds	2019 Total funds
	£	£	£	£
Direct costs	-	1,364,464	1,364,464	2,615,150
Support costs	<u>-</u>	<u>8,814</u>	<u>8,814</u>	<u>10,899</u>
	<u>-</u>	<u>1,373,278</u>	<u>1,373,278</u>	<u>2,626,049</u>

	2020 Total	2019 Total
	£	£
<b>Analysis of support costs</b>		
Governance costs	<u>8,814</u>	<u>10,899</u>

**10. SUPPORT COSTS**

	Governance costs
	£
Academy's educational operations	<u>8,814</u>

Support costs, included in the above, are as follows:

**Governance costs**

	2020 Academy's educational operations	2019 Total activities
	£	£
Exceptional items	681	-
Other costs	114	759
Auditors' remuneration	<u>8,019</u>	<u>10,140</u>
	<u>8,814</u>	<u>10,899</u>

# Saturn Education Trust

## Notes to the Financial Statements - continued for the Year Ended 31 August 2020

### 11. TRUSTEES' REMUNERATION AND BENEFITS

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

Sally Craig as interim CEO (including Accounting Officer), Executive Headteacher of the three schools, and Head of School of both St Mark's CE Primary School and Wareham St Mary Primary School  
Gross pay £35,000 - £40,000 (2019: £60,000 - £65,000)  
Employer's NI £Nil - £5,000 (2019: £5,000 - £10,000)  
Employer's pension contributions paid £5,000 - £10,000 (2019: £10,000 - £15,000)

The remuneration detailed above relates to the period from 1<sup>st</sup> September 2019 to 29<sup>th</sup> February 2020.

#### Trustees' expenses

During the period expenses paid by the trust on behalf of trustees totalled £30 (2019: £1,226) and one trustee was reimbursed for travelling expenses totalling £Nil (2019: £673).

During the period governors were provided with training courses to the value of £114 (2019: £733)

### 12. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	787,286	1,554,037
Social security costs	60,291	115,233
Operating costs of defined benefit pension schemes	<u>257,120</u>	<u>453,752</u>
	1,104,697	2,123,022
Supply teacher costs	<u>27,670</u>	<u>28,368</u>
	<u><u>1,132,367</u></u>	<u><u>2,151,390</u></u>

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	2020	2019
Management	3	3
Teaching	22	21
Admin/Support	<u>30</u>	<u>33</u>
	<u><u>55</u></u>	<u><u>57</u></u>

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

	2020	2019
£60,001 - £70,000	<u>1</u>	<u>1</u>

Total remuneration paid to Key Management Staff during the period to 29 February 2020 was £101,141 (2019: £174,746).

#### Central services

The trust provides central services to its academies for HR and payroll services, management, financial services, legal services and pension costs. These have been recharged based on number of pupils. Recharges to each academy are as follows;

2020	2019
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**Saturn Education Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020**

**12. STAFF COSTS - continued**

	£	£
Corfe Castle Primary School	33,666	61,632
St Mark's CE Primary School	57,388	92,040
Wareham St Mary Primary School	<u>62,716</u>	<u>101,904</u>
	<u>153,770</u>	<u>255,576</u>

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

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

**14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted funds £	Pension reserve £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	-	2,096	-	2,096
<b>Charitable activities</b>				
Funding for the academy's educational operations	-	2,375,030	-	2,375,030
Other trading activities	-	12,815	-	12,815
Investment income	-	213	-	213
Other income	<u>10,434</u>	<u>1,077</u>	<u>-</u>	<u>11,511</u>
<b>Total</b>	10,434	2,391,231	-	2,401,665
<b>EXPENDITURE ON</b>				
<b>Charitable activities</b>				
Academy's educational operations	-	2,433,049	193,000	2,626,049
Other	<u>-</u>	<u>15,463</u>	<u>-</u>	<u>15,463</u>
<b>Total</b>	<u>-</u>	<u>2,448,512</u>	<u>193,000</u>	<u>2,641,512</u>
<b>NET INCOME/(EXPENDITURE)</b>	10,434	(57,281)	(193,000)	(239,847)
<b>Other recognised gains/(losses)</b>				
Actuarial gains/(losses) on defined benefit schemes	<u>-</u>	<u>-</u>	<u>(211,000)</u>	<u>(211,000)</u>
<b>Net movement in funds</b>	10,434	(57,281)	(404,000)	(450,847)
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	36,798	214,626	(1,048,000)	(796,576)

**Saturn Education Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020**

**14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted fund £	Restricted funds £	Pension reserve £	Total funds £
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>47,232</u>	<u>157,345</u>	<u>(1,452,000)</u>	<u>(1,247,423)</u>

**15. TANGIBLE FIXED ASSETS**

	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 September 2019	8,800	56,493	5,076	70,369
Additions	7,500	5,903	-	13,403
Transfer to ownership	<u>(16,300)</u>	<u>(62,396)</u>	<u>(5,076)</u>	<u>(83,772)</u>
At 31 August 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEPRECIATION</b>				
At 1 September 2019	352	38,930	5,076	44,358
Charge for year	163	7,800	-	7,963
Transfer to ownership	<u>(515)</u>	<u>(46,730)</u>	<u>(5,076)</u>	<u>(52,321)</u>
At 31 August 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET BOOK VALUE</b>				
At 31 August 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 August 2019	<u>8,448</u>	<u>17,563</u>	<u>-</u>	<u>26,011</u>

**16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Trade debtors	-	431
VAT	-	8,849
Prepayments & accrued income	<u>-</u>	<u>21,799</u>
	<u>-</u>	<u>31,079</u>

**Saturn Education Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020**

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Trade creditors	-	25,281
Social security and other taxes	-	58,609
Other creditors	-	1,191
Accruals and deferred income	-	57,228
	<u>-</u>	<u>142,309</u>

**18. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	<u>-</u>	<u>551</u>

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

	Unrestricted fund £	Restricted funds £	Pension reserve £	2020 Total funds £
Fixed assets	-	-	-	-
Current assets	-	-	-	-
Current liabilities	-	-	-	-
Pension liability	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

	Unrestricted fund £	Restricted funds £	Pension reserve £	2019 Total funds £
Fixed assets	-	26,011	-	26,011
Current assets	47,232	273,643	-	320,875
Current liabilities	-	(142,309)	-	(142,309)
Pension liability	<u>-</u>	<u>-</u>	<u>(1,452,000)</u>	<u>(1,452,000)</u>
	<u>47,232</u>	<u>157,345</u>	<u>(1,452,000)</u>	<u>(1,247,423)</u>

**Saturn Education Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020**

**20. MOVEMENT IN FUNDS**

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
<b>Unrestricted funds</b>			
General fund	47,232	(47,232)	-
<b>Restricted funds</b>			
Restricted fund	121,378	(121,378)	-
Pension reserve	(1,452,000)	1,452,000	-
Fixed asset fund	<u>35,967</u>	<u>(35,967)</u>	<u>-</u>
	<u>(1,294,655)</u>	<u>1,294,655</u>	<u>-</u>
<b>TOTAL FUNDS</b>	<u><u>(1,247,423)</u></u>	<u><u>1,247,423</u></u>	<u><u>-</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	3,657	-	(50,889)	(47,232)
<b>Restricted funds</b>				
Restricted fund	1,259,817	(1,278,597)	(102,598)	(121,378)
Pension reserve	-	(94,000)	1,546,000	1,452,000
Fixed asset fund	<u>8,644</u>	<u>(8,644)</u>	<u>(35,967)</u>	<u>(35,967)</u>
	<u>1,268,461</u>	<u>(1,381,241)</u>	<u>1,407,435</u>	<u>1,294,655</u>
<b>TOTAL FUNDS</b>	<u><u>1,272,118</u></u>	<u><u>(1,381,241)</u></u>	<u><u>1,356,546</u></u>	<u><u>1,247,423</u></u>

**Comparatives for movement in funds**

	At 1.9.18 £	Net movement in funds £	At 31.8.19 £
<b>Unrestricted funds</b>			
General fund	36,798	10,434	47,232
<b>Restricted funds</b>			
Restricted fund	203,864	(82,486)	121,378
Pension reserve	(1,048,000)	(404,000)	(1,452,000)
Fixed asset fund	<u>10,762</u>	<u>25,205</u>	<u>35,967</u>
	<u>(833,374)</u>	<u>(461,281)</u>	<u>(1,294,655)</u>
<b>TOTAL FUNDS</b>	<u><u>(796,576)</u></u>	<u><u>(450,847)</u></u>	<u><u>(1,247,423)</u></u>

**Saturn Education Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020**

**20. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	10,434	-	-	10,434
<b>Restricted funds</b>				
Restricted fund	2,350,563	(2,433,049)	-	(82,486)
Pension reserve	-	(193,000)	(211,000)	(404,000)
Fixed asset fund	40,668	(15,463)	-	25,205
	<u>2,391,231</u>	<u>(2,641,512)</u>	<u>(211,000)</u>	<u>(461,281)</u>
<b>TOTAL FUNDS</b>	<u>2,401,665</u>	<u>(2,641,512)</u>	<u>(211,000)</u>	<u>(450,847)</u>

**Saturn Education Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020**

**20. MOVEMENT IN FUNDS - continued**

**Total funds analysis by academy**

	<b>Total Funds B/fwd at 31.8.19</b>	<b>Movement in funds</b>	<b>Total Funds C/fwd at 29.2.20</b>
Wareham St Mary Primary School	112,431	(14,843)	97,588
Corfe Castle Primary School	95,742	(19,436)	76,306
St Mark's CE Primary School	(19,203)	(1,204)	(20,407)
Central services	(20,360)	20,360	-
Total restricted and unrestricted general funds	168,610	(15,123)	153,487
Restricted fixed asset funds	35,797	681	36,648
Restricted pension funds	(1,452,000)	(152,000)	(1,604,000)
Transferred to Costal Learning Partnership			1,413,865
Total funds	(1,247,423)	(166,442)	-

The entire fund balance was transferred to the Costal Learning Partnership on 01/03/2020.

**Comparatives:**

	<b>Total Funds B/fwd at 31.8.18</b>	<b>Movement in funds</b>	<b>Total Funds C/fwd at 31.8.19</b>
Wareham St Mary Primary School	136,961	(24,530)	112,431
Corfe Castle Primary School	103,098	(7,185)	95,742
St Mark's CE Primary School	(57,605)	38,402	(19,203)
Central services	58,208	(78,568)	(20,360)
Total restricted and unrestricted general funds	240,662	(71,881)	168,610
Restricted fixed asset funds	10,762	25,029	35,791
Restricted pension funds	(1,048,000)	(404,000)	(1,452,000)
Total funds	(796,576)	(450,847)	(1,247,423)

Total unrestricted general funds relate to lettings activities at each school and total £47,232 (2018: £36,798).

**Saturn Education Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020**

**20. MOVEMENT IN FUNDS - continued**

**Total cost analysis by academy**

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

	<b>Staff costs£</b>	<b>Premises£</b>	<b>Other costs£</b>	<b>Governance Costs £</b>	<b>Total</b>
Wareham St Mary Primary School	360,187	16,081	63,852	52	440,172
Corfe Castle Primary School	237,621	14,068	26,524	-	278,213
St Mark's CE Primary School	348,456	20,082	49,151	-	417,689
Central services	92,103	4,801	37,538	8,081	142,523
Fixed assets		163	7,800		7,963
Pension fund	94,000	-	-	-	94,000
Transfer to CLP			681		681
	<u>1,132,367</u>	<u>55,194</u>	<u>185,547</u>	<u>8,133</u>	<u>1,381,241</u>

**Comparatives:**

	<b>Staff costs£</b>	<b>Premises£</b>	<b>Other costs£</b>	<b>Governance Costs £</b>	<b>Total</b>
Wareham St Mary Primary School	685,991	33,848	124,365	460	844,664
Corfe Castle Primary School	431,180	20,417	66,938	115	518,535
St Mark's CE Primary School	652,532	34,178	104,215	-	790,925
Central services	213,493	1,851	69,955	10,324	294,388
Pension fund	193,000	-	-	-	193,000
	<u>2,176,196</u>	<u>90,924</u>	<u>364,123</u>	<u>10,899</u>	<u>2,641,512</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020**

**21. PENSION AND SIMILAR OBLIGATIONS****Teachers' pension scheme****Introduction**

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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Local government pension scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the period ended 29 February 2020 was £74,000, of which employer's contributions totalled £57,000 and employee's contributions totalled £17,000 (31 August 2019 was £157,000, of which employer's contributions totalled £121,000 and employee's contributions totalled £36,000). The agreed contribution rates for future years are 18.8 percent for employers and 5.5% to 6.8% percent 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.

<b>Principal actuarial assumptions</b>	<b>At 29 February 2020</b>	<b>At 31 August 2019</b>
Discount rate	1.80%	1.85%
Pension increase	2.15%	2.20%
Salary increase	3.65%	3.70%
Inflation assumption	2.15%	2.20%

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

# **Saturn Education Trust**

## **Notes to the Financial Statements - continued for the Year Ended 31 August 2020**

### **21. PENSION AND SIMILAR OBLIGATIONS - continued**

		At 29 February 2020	At 31 August 2019
Retiring today;			
Males		23.0	22.9
Females		24.9	24.8
Retiring in 20 years;			
Males		24.7	24.6
Females		26.7	26.6
<b>Sensitivity analysis</b>	£000s		£000s
Present value of total obligation		2,785	
<b>Sensitivity to</b>	<b>+0.1%</b>		<b>-0.1%</b>
Discount rate	2,716		2,855
Long term salary increase	2,793		2,777
Pension increases and deferred revaluation	2,847		2,725
<b>Sensitivity to</b>	<b>+ 1 year</b>		<b>- 1 year</b>
Life expectancy assumptions	2,883		2,690

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

<b>Asset breakdown</b>	29 February 2020		31 August 2019	
	£000s	%	£000s	%
Equities	616	52%	602	51%
Liability Driven Investment	136	12%	155	13%
Cash	30	3%	31	3%
Other Bonds	86	7%	84	7%
Diversified Growth Fund	70	6%	69	6%
Property	122	10%	123	10%
Infrastructure	67	6%	62	5%
Multi Asset Credit	54	5%	54	5%
Total	1,181	100%	1,180	100%

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans 2020 £	Defined benefit pension plans 2019 £
Service cost	138,000	287,000
Net interest from defined benefit asset/liability	13,000	26,000
Administration expenses	-	1,000
	<u>151,000</u>	<u>314,000</u>
Total return on plan assets	87,000	87,000

Changes in the present value of the defined benefit obligation are as follows:

**Saturn Education Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020**

**21. PENSION AND SIMILAR OBLIGATIONS - continued**

	Defined benefit pension plans 2020 £	Defined benefit pension plans 2019 £
Defined benefit obligation b/fwd	(2,632,000)	(1,994,000)
Current service cost	(138,000)	(253,000)
Interest cost	(24,000)	(53,000)
Change in financial assumptions	1,000	(411,000)
Change in demographic assumptions	-	140,000
Experience loss/(gain) on defined benefit obligation	-	-
Past service costs, including curtailments	-	(34,000)
Contributions by scheme participants and other employers	(17,000)	(36,000)
Benefits paid	25,000	9,000
	<u>(2,785,000)</u>	<u>(2,632,000)</u>
Defined benefit obligation c/fwd		

Changes in the value of the defined benefit assets are as follows:

	Defined benefit pension plans 2020 £	Defined benefit pension plans 2019 £
Fair value of scheme assets b/fwd	1,180,000	946,000
Contributions by employer	57,000	121,000
Contributions by scheme participants	17,000	36,000
Interest on assets	11,000	27,000
Benefits paid	(25,000)	(9,000)
Return on plan assets (excluding interest income)	(59,000)	60,000
Other actuarial gains/(losses)	-	-
Administration expenses	-	(1,000)
	<u>1,181,000</u>	<u>1,180,000</u>

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans 2020 £	Defined benefit pension plans 2019 £
Return on plan assets (excluding interest income)	(59,000)	60,000
Actuarial gains/(losses)	1,000	(271,000)
	<u>(58,000)</u>	<u>(211,000)</u>

Total amounts recognised in the balance sheet are as follows:

# Saturn Education Trust

## Notes to the Financial Statements - continued for the Year Ended 31 August 2020

### 21. PENSION AND SIMILAR OBLIGATIONS - continued

	Defined benefit pension plans 2020 £	Defined benefit pension plans 2019 £
Defined benefit obligation	(2,785,000)	(2,632,000)
Defined benefit assets	1,181,000	1,180,000
Total deficit	<u>(1,604,000)</u>	<u>(1,452,000)</u>

### 22. RELATED PARTY DISCLOSURES

During the period to 29 February 2020 one of the trustee's spouses were employed by the trust and paid total remuneration of £5,815.

During the period to 29 February 2020 one non-staff governor was employed by the trust and paid total remuneration of £6,353.

During the period to 29 February 2020, £630 (2019: £5,461) was paid to SALED Limited which is controlled by the Diocesan Board of Education. No amounts were owed to SALED Limited at 29 February 2020 and 31 August 2019.

### 23. TRANSFER OUT ON ACADEMIES LEAVING THE ACADEMY TRUST

On 1 March 2020 all schools within the trust transferred to Costal Learning Partnership, including all assets, liabilities and reserves. The note below details the balances transferred for the Trust and includes the central services function as well as the following schools; Wareham St Mary Primary School, Corfe Castle Primary School and St Mark's CE Primary School.

#### Saturn Education Trust

	Transfer out on academy leaving the trust £
<b>Tangible fixed assets</b>	
Improvements to property	15,785
Fixtures and fittings	15,666
Motor vehicles	-
<b>Current assets</b>	
Trade debtors	1,099
VAT	14,710
Prepayments	52,436
Cash at bank and in hand	214,527
<b>Liabilities</b>	
Trade creditors	(28,619)
Social security and other taxes	(68,292)
Other creditors	(945)
Accruals and deferred income	(26,232)
<b>Pensions</b>	
Pensions - Pension scheme liabilities	<u>(1,604,000)</u>

**Saturn Education Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020**

**23. TRANSFER OUT ON ACADEMIES LEAVING THE ACADEMY TRUST - continued**

Net liabilities	<u><u>(1,413,865)</u></u>
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# Saturn Education Trust

## Detailed Statement of Financial Activities for the Year Ended 31 August 2020

	2020 £	2019 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and capital grants</b>		
Donations	5,722	2,096
<b>Other trading activities</b>		
Other trading income	17,005	12,815
<b>Investment income</b>		
Deposit account interest	98	213
<b>Charitable activities</b>		
Catering income	3,639	8,580
Trip income	6,347	14,894
Grants	<u>1,235,621</u>	<u>2,351,556</u>
	1,245,607	2,375,030
<b>Other income</b>		
Hire of facilities	3,658	10,435
Shop income	<u>28</u>	<u>1,076</u>
	<u>3,686</u>	<u>11,511</u>
<b>Total incoming resources</b>	1,272,118	2,401,665
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Wages	787,286	1,554,037
Social security	60,291	115,233
Pensions	257,120	453,752
Supply teacher costs	27,670	28,368
Educational supplies	79,359	140,137
Staff development	7,110	25,883
Goods and services	85,596	197,081
Premises costs	34,450	43,569
Insurance	4,131	9,401
Bank charges	119	202
Establishment costs	<u>21,332</u>	<u>47,487</u>
	1,364,464	2,615,150
<b>Other</b>		
Freehold property	163	-
Fixtures and fittings	7,800	14,299
Motor vehicles	<u>-</u>	<u>1,164</u>
	7,963	15,463

This page does not form part of the statutory financial statements

**Saturn Education Trust**

**Detailed Statement of Financial Activities  
for the Year Ended 31 August 2020**

	2020 £	2019 £
<b>Support costs</b>		
<b>Governance costs</b>		
Exceptional items	681	-
Other costs	114	759
Auditors' remuneration	<u>8,019</u>	<u>10,140</u>
	<u>8,814</u>	<u>10,899</u>
 Total resources expended	 <u>1,381,241</u>	 <u>2,641,512</u>
 <b>Net expenditure</b>	 <u><u>(109,123)</u></u>	 <u><u>(239,847)</u></u>

This page does not form part of the statutory financial statements