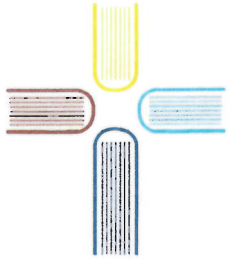


Registered number: 09499496



St Edmundsbury and Ipswich

Diocesan Multi Academy Trust

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2016

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
(A company limited by guarantee)

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ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2016**

Members

St Edmundsbury and Ipswich Academies Umbrella Trust (appointed 19 March 2015)
The Reverend R Hinsley (appointed 19 March 2015)
The Right Reverend M Seeley (appointed 19 March 2015)
The Venerable Dr D Jenkins (appointed 19 March 2015)
N Watts (appointed 9 May 2016)

Trustees

Mr T Brooke (appointed 19 March 2015)
Mr A Gourlay (appointed 13 July 2015)
The Reverend R Hinsley (appointed 13 July 2015)
Mrs F Hotston Moore (appointed 19 March 2015)
The Venerable Dr D Jenkins (appointed 19 March 2015)
Mrs J Sheat (appointed 19 March 2015)
Mr M Crawshaw (appointed 19 March 2015, resigned 13 July 2015)
Mrs C E Robinson (appointed 1 April 2016)

Company registered number

09499496

Company name

St Edmundsbury and Ipswich Diocesan Multi-Academy Trust

Principal and registered office

St Nicholas Centre, 4 Cutler Street, Ipswich, Suffolk, IP1 1UQ

Company secretary

Mrs M T Roots

Chief executive officer

Mrs J Sheat

Independent auditors

Larking Gowen, 1 Claydon Business Park, Great Blakenham, Ipswich, Suffolk, IP6 0NL

Bankers

RBS, 8 Princes Street, Ipswich, Suffolk, IP1 1QT

Solicitors

Lee Bolton Monier-Williams Solicitors, 1 The Sanctuary, Westminster, London, SW1P 3JT

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 19 March 2015 to 31 August 2016. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust operates six primary academies in Suffolk at 31 August 2016: Tudor in Sudbury, St Mary's in Woodbridge, Sroughton, St Mary's in Hadleigh, Nacton and Bramfield. Its academies have a combined pupil capacity of 1022 and had a combined roll of 899 at 31 August 2016.

Structure, governance and management

a. CONSTITUTION

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trust was incorporated on 19 March 2015. The trustees of the St Edmundsbury and Ipswich Multi- Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as the St Edmundsbury and Ipswich Multi- Academy Trust.

Details of the Trustees who served during the period are included in the Reference and administrative details on page 1.

b. 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.

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The Trust's members include the St Edmundsbury and Ipswich Diocesan Umbrella Trust, as a corporate member and individual members. The trust's members are responsible for appointing the directors of the Trust. When appointing new trustees, the members give consideration to the skills and experience of existing trustees in order to ensure that the board has the necessary skills and expertise to contribute fully to the Trust's development, set strategic direction and meet all its statutory obligations as set out in the Academies Financial Handbook.

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

All trustees are experienced in school governance. Their induction and training will depend on their experience. New trustees meet with the CEO and Chair of the Board and are invited to attend an initial meeting as an observer. Trustees held a strategic away day on 20 July 2016 and plan to do so annually.

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

e. ORGANISATIONAL STRUCTURE

Trust Level

The trustees make most decisions at full Board meetings, which take place six times a year. Trustees monitor the overall academic progress of both sponsored academies and converter academies and set the Trust-wide policies to be operated by all the schools.

The Finance and Audit Committee meets six times a year and has a strategic view on the forward planning of MAT finances, makes recommendations to the Board on the financial sustainability of prospective schools, monitors income and expenditure and reviews audit requirements.

The Risk Review Group assesses and manages risks. A risk register is maintained and reviewed regularly. The CEO is the accounting officer and makes operational decisions.

School Level

Each school has a Local Governing Body operating within the scheme of delegation set by the Trust. Local Governing Bodies manage their individual schools' concerns ensuring compliance with the Trust's requirements and set their local school policies where appropriate. The Headteacher manages his or her school's operations and is expected to contribute towards the aims of the Trust. To this aim, the Headteachers meet together six times a year and the School bursars meet a minimum of six times a year.

f. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The Board has established a pay policy and approved the salary range for central MAT posts. Incremental progression for central MAT employees, as for all school-based employees, including Headteachers is subject to satisfactory performance management. The CEO is employed by the Diocese (St Edmundsbury and Ipswich Diocesan Board of Finance).

g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The St Edmundsbury and Ipswich Diocesan Board of Finance (company registration no. 00143034) is a related party due to its powers in relation to the appointment of multi-academy trust members.

Churchgates 2000 Limited (company registration no. 03954571) is a 100% trading subsidiary of St Edmundsbury and Ipswich Diocesan Board of Finance.

There is no financial gain either for individuals or for organisations.

Objectives and Activities

a. OBJECTS AND AIMS

The objects of the Trust are 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. At present all of the schools in the Trust are Church of England schools.

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

In this reporting period, the Trust has established itself as a Trust for church primary schools in Suffolk. It has attracted good and outstanding schools and sees these as key to building capacity to support sponsored academies. Sponsored academies have a school improvement plan with key priorities linked to their Ofsted inspections. The Trust seeks to grow further and to maintain a good balance of good and outstanding schools and sponsored academies. It has developed its due diligence processes to ensure that Directors have the necessary information about a school prior to its joining. It has approved policies on dealing with parental complaints and Freedom of Information requests and eight HR policies. All policies may be found on the MAT's website at www.cofesuffolkmat.org.

c. PUBLIC BENEFIT

The Trust aims to advance for the public benefit education in the Diocese of St Edmundsbury and Ipswich. It operates in a collaborative manner to the mutual benefit of schools, their staff and pupils.

Achievements and performance

a. ACHIEVEMENTS AND PERFORMANCE

The Trust's schools are listed below, with details of their pupil number and Ofsted judgements.

School	Pupil nos. as at Oct 2015 census	Ofsted judgement	Date of last inspection	Date joined the MAT
Tudor	247	Inadequate	November 13	1 August 15
Sproughton	105	Good	November 14	1 February 16
Hadleigh St Mary's	151	Good	October 15	1 February 16
Woodbridge St Mary's	207	Good	October 13	1 February 16
Nacton	96	Outstanding	April 08	1 July 16
Bramfield	93	Good	May 16	1 August 16

Tudor was the first school to join the MAT in August 2015. One of the MAT directors chairs the Local Governing Body and the MAT appointed an Acting Headteacher for three days a week from January 2016. An experienced Headteacher from another school, the Acting Headteacher focussed on teaching and learning. A consultant Headteacher from another school which joined the MAT in February also supported the school. Staff visited other schools and the MAT led moderation and training for staff across its four schools in the summer term 2016. The Early Years Outdoor Play area was improved and officially opened in May, providing much improved facilities for pupils. An external review by an experienced Ofsted inspector was carried out in June. A permanent Headteacher was appointed from September 2016. A representative of the Regional Schools Commissioner's office visited the school twice, in February and July and was pleased with the progress made at the school.

Sproughton, St Mary's, Hadleigh and St Mary's, Woodbridge joined the MAT in February 2016 and worked closely together, starting to meet together regularly as a group of MAT Headteachers and arranging a meeting for governors across all four schools in March.

Nacton joined the MAT in July and Bramfield in August. The MAT provided an interim Headteacher at Bramfield in the run-up to the academy conversion from one of its own Headteachers.

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

b. KEY PERFORMANCE INDICATORS

The Multi-Academy Trust is developing a number of key performance indicators covering operational and financial activities. As it grows it will be better able to benchmark those activities including budgets and expenditure against a number of criteria, such as staff costs. Total pupil numbers as at 31 August 2016 are 899. These will grow as more schools join the MAT.

c. GOING CONCERN

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

Financial review

a. SUMMARY FINANCIAL POSITION

These financial statements reflect the first period of operational activity for the Trust. During the year the trust received income of **£14,157,743**. Of this sum, **£10,945,604** includes assets transferred upon academy conversion. **£2,884,783** was from the Education Funding Agency in respect of General Annual Grant (GAG) which is used for the day to day running costs of the schools. Separate funding from the Department of Education was received for conversion costs, infrastructure and school improvement. In addition, a donation of **£33,064** was received from the St Edmundsbury and Ipswich Diocese, part of a three- year agreement which will total **£150,000**. The Trust spent **£2,970,692** before transfers.

Revenue

The revenue budget position excluding the pension fund was as follows:

Revenue excl. pension fund	Unrestricted Funds £	Restricted Funds £	Total £
Income	482,475	3,002,334	3,484,809
Expenditure	(183,996)	(2,480,279)	(2,664,275)
Net expenditure before transfers	298,479	522,055	820,534
Transfers	(3,458)	(189,843)	(193,301)
In year budget position and reserves carried forward	295,021	332,212	627,233

Capital (Fixed Assets)

The Trust spent **£56,355** across its schools for works, furniture and equipment and IT hardware and **£53,352** on intangible assets (software). A balance of **£65,258** is carried forward; this figure is part of the total restricted asset fund totalling **£11,568,818** as shown in the balance sheet (Note 20).

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

b. RESERVES POLICY

The Trust's reserves are summarised below:

Reserves	Available £	Tangible assets £	Intangible assets (soft ware) £	Total £
Revenue cfwd	627,233	-	-	627,233
Capital balances cfwd	65,258	11,460,104	43,456	11,568,818
Total before pension	692,491	11,460,104	43,456	12,196,051
Pension Fund deficit				(1,592,000)
Grand Total				10,604,051

The purpose of the reserves policy for the Trust is to ensure the stability of the schools' operations, to protect it so that it has the ability to adjust quickly to financial circumstances, such as large unplanned expenditure, cyclical maintenance and working capital requirements. The MAT holds reserves in order to provide sufficient working capital to cover delays between spending and receipt of grant income, to provide a cushion to deal with unexpected emergencies such as urgent maintenance or long term sickness where unforeseen costs are incurred and to build up funding for planned future capital projects. The Trust aims for to have the equivalent of one month's salary costs available. This has been achieved in total from the balances of Department for Education grants which are received in advance of expenditure occurring and schools' contingencies.

Reserves are reported as part of budget monitoring to the school's local governing body and to the Finance and Audit Committee.

Free Reserves

Since the majority of the MAT's income is restricted grant funding received at the beginning of the month, there is no level set for free reserves. In practice, free reserves are mostly used by schools to support their overall financial position and quickly become designated funds for a project or to top up revenue income. The level of free reserves as at 31st August was **£295,021**. This will be mainly used towards schools' budgets in 2016-17 and is reported under Unrestricted Funds in the financial statements.

Restricted Reserves

These are funds which have a restriction on how they are used, comprised mainly of grant balances for General Annual Grant and Department for Education grants for school improvement and academy conversion. The total of restricted fund reserves to carry forward is **£332,212**. This excludes the local government pension deficit of **£1,592,000**. It is expected that these grants will be used by the Trust and its schools in the medium term to support future deficit budgets, cost pressures and projects.

Pension Fund (Local Government Pension Scheme)

Under Accounting Standard FRS 102, it is necessary to charge projected deficits on the Local Government Pension Scheme that is provided for non-teaching staff to a specific restricted reserve. As at 31 August 2016, the deficit on this reserve amounted to **£1,592,000**. The employer's contributions to the pension scheme will be increased over the next few years in order to address the deficit in line with Suffolk's Pension Fund strategy. This does not present the Trust with a current liquidity problem and it should be noted that the Government has guaranteed to pay any outstanding pension deficit in the event that an academy trust is closed in order to maintain parity of contribution rates between local authority maintained and academy status schools.

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

c. PRINCIPAL FINANCIAL MANAGEMENT POLICIES

The trust operates financial management in relation to the scheme of delegation of each school and recognises the needs for schools to manage their financial affairs within the parameters set by the Trust. The Trust has a central management role and has adopted PS Financials as its accounting package, providing instant live access to all transactions across the Trust and consolidation of budget management. The majority of purchases are authorised at school level by the Headteacher and for the central Trust, by the CEO.

d. PRINCIPAL FUNDING

On a day to day basis, the Trust is funded principally from the following grants:

- General Annual Grant and Education Services Grant received from the Education Funding Agency
- Pupil premium used to support outcomes for disadvantaged children
- Other grants such as universal infant free school meals, PE and Sports grant
- High tariff needs top ups from the local authority

Schools also generate smaller amounts of income from school meals, lettings and other uniform. The Trust has also received funding from the Department for Education for academy conversion costs and school improvement costs for sponsored schools. Some 99.5% of the funding received is towards the Trust's educational activities.

e. INVESTMENTS

The Trust does not have any formal investments. Any future investments will be managed centrally by the Trust but be clearly attributable to each school's contribution and will include considerations of:

- access and type of investment and term
- financial position and financial limit for type of investment
- spreading investments between providers to ensure savings are covered by the Financial Services Authority
- security of access
- rate of return and charges
- business interests
- ethical, social and environmental considerations
- review including review of performance

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

f. PRINCIPAL RISKS AND UNCERTAINTIES

A strategic risk register is maintained and reviewed by trustees regularly. This covers financial, reputational, strategic, operational and compliance risks. Progress against each risk is evaluated and appropriate action is taken as a result. For example, an additional financial post was created and appointed to address the expansion in central financial management tasks as the Trust grew.

The main financial risks affecting all academies in Suffolk are as follows:

- Reduction in funding on Education Services grant, currently attracting £77 per pupil from September 2016 and is due to eventually disappear
- Reduction in Suffolk's per pupil funding of £33 per pupil with effect from April 2017
- Increase in employers' local government pension contributions from April 2017

These are being addressed with prudent budget management and using contingencies and balances carried forward in the short and medium term. As the Trust grows, synergy across the Trust will be used to aid this process.

The main non-financial risk is of reputation and ability to deliver effective school improvement to the sponsored schools. This is being addressed with the recent appointment of the Head of School Improvement and continued facilitation of school to school support from the stronger schools. The Trust is also being cautious with its approach to agreeing when new converter schools may join.

Plans for future periods

a. FUTURE DEVELOPMENTS

The Trust seeks to consolidate its work in 2016-17, focussing on school effectiveness. It has appointed a Head of School Improvement from 1 September 2016 whose role is to work closely with MAT schools, delivering improvement in attainment and progress, especially in sponsored academies. The trust will continue to attract good and outstanding schools which give further capacity to support underperforming schools. The trust will continue to work highly collaboratively, enhancing networks for governors, bursars and teachers.

FUNDS HELD AS CUSTODIAN

The Trust and its Trustees do not act as the Custodian Trustees of any other charity.

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by order of the board of trustees as the company directors, on 23 November 2016 and signed on its behalf by:



The Venerable Dr D Jenkins
Chair of Trustees

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 7 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr T Brooke	6	7
Mr A Gourlay (from 13 July 2015)	6	6
The Reverend R Hinsley (from 13 July 2015)	6	6
Mrs F Hotston Moore	6	7
The Venerable Dr D Jenkins (Chairman)	6	7
Mrs J Sheat (Accounting Officer)	7	7
Mr M Crawshaw (until 13 July 2015)	0	1
Mrs C E Robinson (from 1 April 2016)	1	1

The board of trustees meet six times a year. Trustees also held a strategic away day on 20 July 2016 to review the first year of operation and to plan for the future. This was facilitated by an external adviser who is experienced in diocesan multi academy trusts. Trustees plan to hold such an event annually.

The Finance and Audit Committee is a sub-committee of the main board of trustees. It meets six times a year and its purpose is to take a strategic view on the forward planning of MAT finances, make recommendations to the Board on the financial sustainability of prospective schools, monitor income and expenditure and consider financial risks and audit recommendations

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Mrs F Hotston Moore	5	5
Mr A Gourlay	5	5
The Reverend R Hinsley	3	5
Mr T Brooke (from 29 June 2016)	1	1

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 St Edmundsbury and Ipswich Diocesan Multi-Academy Trust for the period 19 March 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks, that has been in place for the period 19 March 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

- scheme of delegation and financial policy and procedures
- budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by local governing bodies and the board of trustees
- regular reviews by the local governing bodies and finance and audit committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- central financial system administration for the accounting system and online banking
- identification and management of risks

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Miller Wash as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. Checks were not carried out by the internal auditor in the current period but are earmarked for the new financial year to include testing of payroll, purchasing, income and cash management. The external auditor, as part of the external audit process, has tested controls for payroll, purchasing and income that will be considered and addressed if not already, by the Finance and Audit Committee.

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

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

- the work of the external auditors;
- the financial management and governance self-evaluation framework carried out in June 2016;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Finance and Audit Committee will review the system of internal control and ensure continuous improvement of the systems in place. The accounting officer will implement any necessary changes.

REVIEW OF VALUE FOR MONEY

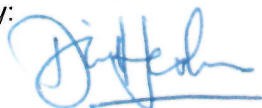
As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer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

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

- use of a Consultant Headteacher and part- time Acting Headteacher for Tudor pending the appointment of a permanent Headteacher from September 2016, delivering considerable school effectiveness progress
- tender process for the appointment of external auditors and financial accounting system to cover the first three years of the Trust with growth scenarios included. This secured favourable rates. Assistance was sought on the specification for the financial accounting system and the evaluation of the tenders by using professional support from Suffolk County Council's Schools' Choice.
- negotiation with suppliers
- continuing to use Suffolk County Council's buying power for schools and using Parish Buying (the Church of England's national procurement service) for energy contracts.
- using a wide range of school improvement partners pending the appointment of a Head of School Improvement from September 2016

As the trust grows, further value for money work may be achieved and reviewed and is currently in development on schools' contracts, provision of in- house and externally sourced school effectiveness support and pupil assessment.

Approved by order of the members of the board of trustees on 23 November 2016 and signed on their behalf, by:



The Venerable Dr D Jenkins
Chair of Trustees



Mrs J Sheat
Accounting Officer

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of St Edmundsbury and Ipswich Diocesan Multi-Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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 EFA.

Jane Sheat

Mrs J Sheat
Accounting Officer

Date: 23 November 2016

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 AUGUST 2016

The Trustees (who act as governors of St Edmundsbury and Ipswich Diocesan Multi-Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

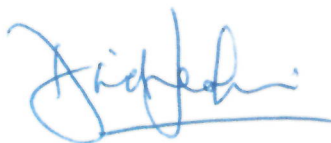
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 23 November 2016 and signed on its behalf by:



The Venerable Dr D Jenkins
Chair of Trustees

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST

We have audited the financial statements of St Edmundsbury and Ipswich Diocesan Multi-Academy Trust for the period ended 31 August 2016 which comprise the Statement of Financial Activities incorporating income and expenditure account, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial period for which the financial statements are prepared is consistent with the financial statements.

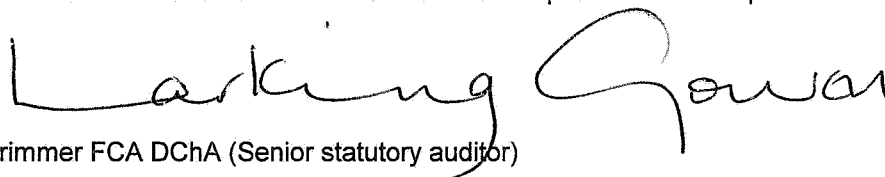
ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Julie Grimmer FCA DChA (Senior statutory auditor)

for and on behalf of

Larking Gowen

Chartered Accountants
Statutory Auditors

Ipswich
29 November 2016

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 28 July 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Edmundsbury and Ipswich Diocesan Multi-Academy Trust during the period 19 March 2015 to 31 August 2016 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 St Edmundsbury and Ipswich Diocesan Multi-Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Edmundsbury and Ipswich Diocesan Multi-Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Edmundsbury and Ipswich Diocesan Multi-Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING AUDITORS

The accounting officer is responsible, under the requirements of St Edmundsbury and Ipswich Diocesan Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 2 July 2015, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 19 March 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO ST
EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST AND THE EDUCATION FUNDING
AGENCY (continued)**

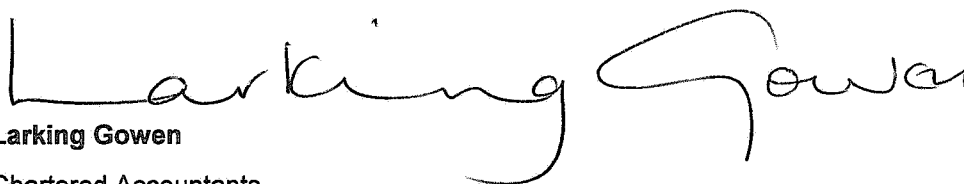
APPROACH (CONTINUED)

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2015 to 2016 and the ICAEW Assurance Sourcebook. The work undertaken to draw to our conclusion, includes, but is not limited to:

- Enquiry of senior management and the academy trust's trustees.
- Inspection and review of the accounting records, meeting minutes, internal control procedures, management representations and declarations of interest.
- Observation and re-performance of the financial controls.

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 19 March 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Larking Gowen

Chartered Accountants
Statutory Auditors

Ipswich

29 November 2016

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
INCOME FROM:					
Donations & capital grants:					
Transfer from local authority on conversion	2	309,968	(980,000)	11,615,636	10,945,604
Other donations and capital grants	2	78,668	-	37,298	115,966
Other trading activities	4	16,995	-	-	16,995
Investments	5	29	-	-	29
Charitable activities	3	76,815	3,002,334	-	3,079,149
TOTAL INCOME		482,475	2,022,334	11,652,934	14,157,743
EXPENDITURE ON:					
Charitable activities		183,996	2,626,279	160,417	2,970,692
TOTAL EXPENDITURE	6	183,996	2,626,279	160,417	2,970,692
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		298,479	(603,945)	11,492,517	11,187,051
Transfers between Funds	20	(3,458)	(72,843)	76,301	-
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES		295,021	(676,788)	11,568,818	11,187,051
Actuarial losses on defined benefit pension schemes	25	-	(583,000)	-	(583,000)
NET MOVEMENT IN FUNDS		295,021	(1,259,788)	11,568,818	10,604,051
RECONCILIATION OF FUNDS:					
Total funds brought forward		-	-	-	-
TOTAL FUNDS CARRIED FORWARD		295,021	(1,259,788)	11,568,818	10,604,051

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

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 09499496

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £
FIXED ASSETS			
Intangible assets	15		43,456
Tangible assets	16		11,460,104
			<u>11,503,560</u>
CURRENT ASSETS			
Stocks	17	2,523	
Debtors	18	282,203	
Cash at bank and in hand		817,782	
		<u>1,102,508</u>	
CREDITORS: amounts falling due within one year	19	<u>(410,017)</u>	
NET CURRENT ASSETS			<u>692,491</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>12,196,051</u>
Defined benefit pension scheme liability	25		<u>(1,592,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>10,604,051</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds	20	332,212	
Restricted fixed asset funds	20	11,568,818	
		<u>11,901,030</u>	
Restricted funds excluding pension liability		11,901,030	
Pension reserve		<u>(1,592,000)</u>	
Total restricted funds			10,309,030
Unrestricted funds	20		295,021
TOTAL FUNDS			<u><u>10,604,051</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 23 November 2016 and are signed on their behalf, by:


The Venerable Dr D Jenkins
Chair of Trustees

The notes on pages 22 to 46 form part of these financial statements.

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2016

	Note	2016 £
Cash flows from operating activities		
Net cash provided by operating activities	22	<u>602,100</u>
Cash flows from investing activities:		
Interest received		29
Purchase of intangible fixed assets		(53,352)
Purchase of property, plant and equipment		(56,356)
Capital grants from DfE/EFA		37,298
Cash transferred on conversion to an academy trust		<u>288,063</u>
Net cash provided by investing activities		<u>215,682</u>
Change in cash and cash equivalents in the period	23	817,782
Cash and cash equivalents brought forward		<u>-</u>
Cash and cash equivalents carried forward	23	<u><u>817,782</u></u>

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

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

St Edmundsbury and Ipswich Diocesan Multi-Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Department for Education.

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the academy trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities incorporating income and expenditure account 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities incorporating income and expenditure account in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

All resources expended are inclusive of irrecoverable VAT.

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment

Amortisation is provided at the following rates:

Purchased computer software - 3 years

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities incorporating income and expenditure account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating income and expenditure account.

Premises occupied under a lease for 125 years are capitalised within tangible fixed assets, to reflect the academy trust's right to use these properties over the long term. Also included are premises occupied under a short term licence from the St Edmundsbury and Ipswich Diocesan Board of Finance, reflecting the substance of the terms of occupation, and that the intention of the Board of Finance is understood to be to continue to make the properties available to the academy trust without rental charge for the long term. Details of these arrangements are described in Note 17.

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

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

L/Term Leasehold Property	-	50 years
Fixtures and fittings	-	10 - 15 years
Computer equipment	-	3 years

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy trust; this is normally upon notification of the interest paid or payable by the Bank.

1.9 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating income and expenditure account on a straight line basis over the lease term.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

1.12 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.14 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.15 Pensions

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's in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.16 Conversion to an academy trust

The conversion from a state maintained school to an academy involves the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Bramfield Church of England Primary School, St Mary's Church of England Primary School Hadleigh, St Mary's Church of England Primary School Woodbridge, Nacton Church of England Primary School, Sproughton Church of England Primary School and Tudor Church of England Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 24.

1.17 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Transfer from local authority on conversion	309,968	(980,000)	11,615,636	10,945,604
Donations	78,668	-	-	78,668
Capital grants	-	-	37,298	37,298
Total donations and legacies	388,636	(980,000)	11,652,934	11,061,570

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
DfE/EFA grants			
GAG	-	2,228,156	2,228,156
Start Up Grants	-	200,000	200,000
Other DfE/EFA Grants	-	297,749	297,749
Pupil Premium	-	158,878	158,878
	-	2,884,783	2,884,783
Other government grants			
Pupil Premium	-	30,855	30,855
Other Local Authority Grants	-	85,668	85,668
	-	116,523	116,523
Other funding			
Other income from operations	76,815	1,028	77,843
	76,815	1,028	77,843
	76,815	3,002,334	3,079,149

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
Lettings income	9,146	-	9,146
Adult meals income	2,013	-	2,013
Uniform income	4,528	-	4,528
Other income	1,308	-	1,308
	<u>16,995</u>	<u>-</u>	<u>16,995</u>

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
Bank interest	29	-	29
	<u>29</u>	<u>-</u>	<u>29</u>

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £
Academy's educational operations:				
Direct costs	1,761,041	11,778	368,703	2,141,522
Support costs	314,466	154,913	359,791	829,170
	<u>2,075,507</u>	<u>166,691</u>	<u>728,494</u>	<u>2,970,692</u>

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

7. DIRECT COSTS

	Educational operations £	Total 2016 £
Pension income	22,000	22,000
Technology costs	17,422	17,422
Educational supplies	77,999	77,999
Staff development	22,632	22,632
Educational consultancy	53,408	53,408
Other direct costs	36,708	36,708
Wages and salaries	1,754,041	1,754,041
Pension cost	7,000	7,000
Depreciation and amortisation	150,312	150,312
	<u>2,141,522</u>	<u>2,141,522</u>

8. SUPPORT COSTS

	Educational operations £	Total 2016 £
Technology costs	38,909	38,909
Premises costs	154,913	154,913
Other support costs	309,346	309,346
Governance costs	14,131	14,131
Wages and salaries	301,765	301,765
Depreciation and amortisation	10,106	10,106
	<u>829,170</u>	<u>829,170</u>

9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £
Amortisation of intangible fixed assets (software)	9,896
Auditors' remuneration	7,600
Auditors' remuneration - non-audit	1,750
Depreciation of tangible fixed assets	<u>150,523</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

10. STAFF COSTS

Staff costs were as follows:

	2016 £
Wages and salaries	1,864,144
Other pension costs (Note 25)	7,000
	<hr/> 1,871,144
Agency supply staff costs	191,663
Staff restructuring costs	12,700
	<hr/> <hr/> 2,075,507

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

	2016 No.
Teachers	26
Admin & Support	61
Management	2
	<hr/> 89

No employee received remuneration amounting to more than £60,000.

Included in staff restructuring costs are non-statutory payments totalling £12,700. This is one payment.

Key management personnel of the academy trust comprise the trustees and the headteachers of each of the schools. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £196,053.

Wages and salaries breakdown

	2016 £
Wages and salaries	1,497,809
Social security costs	93,883
Pension costs	279,452
	<hr/> 1,871,144
Total	<hr/> <hr/> 1,871,144

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

11. CENTRAL SERVICES

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

- Human Resources
- Payroll
- Pension
- Finance
- Procurement
- Wellbeing
- Subscriptions (Fischer Family Trust, The Key)
- Energy Management Fee

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

5% of General Annual Grant and Education Services Grant

The actual amounts charged during the year were as follows:

	2016 £
Bramfield Church of England Primary School	1,837
St Mary's Church of England Primary School Hadleigh	16,507
St Mary's Church of England Primary School Woodbridge	21,275
Nacton Church of England Primary School	3,600
Sproughton Church of England Primary School	12,620
Tudor Church of England Primary School	55,586
	<hr/>
Total	111,425 <hr/>

12. TRUSTEES' REMUNERATION AND EXPENSES

During the period, no trustees received any remuneration.

During the period, no trustees received any benefits in kind.

During the period, travel and subsistence expenses totalling £1,872 were reimbursed or paid directly to 5 trustees.

13. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

14. OTHER FINANCE INCOME

	2016 £
Expected return on pension scheme assets	18,000
Interest on pension scheme liabilities	(40,000)
	<u>(22,000)</u>

15. INTANGIBLE FIXED ASSETS

	Computer software £
Cost	
At 19 March 2015	-
Additions	53,352
At 31 August 2016	<u>53,352</u>
Amortisation	
At 19 March 2015	-
Charge for the period	9,896
At 31 August 2016	<u>9,896</u>
Carrying amount	
At 31 August 2016	<u>43,456</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

16. TANGIBLE FIXED ASSETS

	L/Term Leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 19 March 2015	-	-	-	-
Additions	11,568,407	32,971	9,249	11,610,627
At 31 August 2016	11,568,407	32,971	9,249	11,610,627
Depreciation				
At 19 March 2015	-	-	-	-
Charge for the period	148,640	857	1,026	150,523
At 31 August 2016	148,640	857	1,026	150,523
Net book value				
At 31 August 2016	11,419,767	32,114	8,223	11,460,104

Terms of occupation of premises

Academy name	Buildings and land	Playing fields
Bramfield CofE Primary	licence, 2 year notice, BDF	125 year lease SCC
St Mary's CofE Hadleigh	licence, 2 year notice, BDF	125 year lease SCC
St Mary's CofE Woodbridge	licence, 2 year notice, BDF	125 year lease SCC
Nacton CofE Primary	lease & licence, 2 year notice, BDF	125 year lease SCC
Sproughton CofE Primary	lease & licence, 2 year notice, BDF	as buildings and land
Tudor CofE Primary	licence, 2 year notice, BDF	125 year lease SCC

BDF = St Edmundsbury and Ipswich Diocesan Board of Finance
SCC = Suffolk County Council

17. STOCKS

	2016
	£
Stock	2,523

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

18. DEBTORS

	2016 £
Trade debtors	439
Other debtors	124,556
Prepayments and accrued income	145,102
Tax recoverable	12,106
	<hr/> 282,203 <hr/>

19. CREDITORS: Amounts falling due within one year

	2016 £
Trade creditors	88,619
Other taxation and social security	44,938
Other creditors	54,318
Accruals and deferred income	222,142
	<hr/> 410,017 <hr/>
	£
Deferred income	
Deferred income at 19 March 2015	-
Resources deferred during the year	172,277
	<hr/> 172,277 <hr/>

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals Grants, School Improvement Grants and school trips.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

20. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	-	482,475	(183,996)	(3,458)	-	295,021
Restricted funds						
General Annual Grant (GAG)	-	2,228,156	(2,008,212)	(122,979)	-	96,965
Start Up Grants	-	200,000	(65,867)	(45,187)	-	88,946
Pupil Premium	-	189,733	(182,945)	(4,196)	-	2,592
Other Grants	-	384,445	(223,255)	(17,481)	-	143,709
Pension reserve	-	(980,000)	(146,000)	117,000	(583,000)	(1,592,000)
	-	2,022,334	(2,626,279)	(72,843)	(583,000)	(1,259,788)
Restricted fixed asset funds						
Transfer on conversion	-	11,615,636	(148,991)	-	-	11,466,645
DfE Capital Grants	-	24,298	-	-	-	24,298
Other Capital Income	-	13,000	(350)	-	-	12,650
Capital Expenditure from GAG	-	-	(691)	5,979	-	5,288
Capital Expenditure from Restricted	-	-	(10,153)	66,864	-	56,711
Capital Expenditure from Unrestricted	-	-	(232)	3,458	-	3,226
	-	11,652,934	(160,417)	76,301	-	11,568,818
Total restricted funds	-	13,675,268	(2,786,696)	3,458	(583,000)	10,309,030
Total of funds	-	14,157,743	(2,970,692)	-	(583,000)	10,604,051

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

The General Annual Grant (GAG) and other restricted funds are for the operational activities of the schools.

The pension reserve represents the academy's defined benefit pension scheme liability.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

20. STATEMENT OF FUNDS (continued)

The restricted fixed asset funds represents the net book value of the fixed assets held by the academy and unspent capital funding received to carry out works of a capital nature.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £
Bramfield Church of England Primary School	57,292
St Mary's Church of England Primary School Hadleigh	25,586
St Mary's Church of England Primary School Woodbridge	104,651
Nacton Church of England Primary School	27,457
Sproughton Church of England Primary School	69,031
Tudor Church of England Primary School	102,306
Central MAT	240,910
	<hr/>
Total before fixed asset fund and pension reserve	627,233
	<hr/>
Restricted fixed asset fund	11,568,818
Pension reserve	(1,592,000)
	<hr/>
Total	10,604,051
	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

20. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2016 £
Bramfield Church of England Primary School	27,955	4,165	151	1,714	33,985
St Mary's Church of England Primary School Hadleigh	306,474	35,987	7,013	72,349	421,823
St Mary's Church of England Primary School Woodbridge	345,278	35,626	24,387	93,004	498,295
Nacton Church of England Primary School	58,220	4,416	2,540	13,446	78,622
Sproughton Church of England Primary School	188,222	22,300	6,195	68,459	285,176
Tudor Church of England Primary School	827,892	126,150	37,713	208,775	1,200,530
Central MAT	-	73,121	-	218,722	291,843
	<u>1,754,041</u>	<u>301,765</u>	<u>77,999</u>	<u>676,469</u>	<u>2,810,274</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Intangible fixed assets	-	-	43,457	43,457
Tangible fixed assets	-	-	11,460,104	11,460,104
Current assets	306,098	718,167	78,242	1,102,507
Creditors due within one year	(11,077)	(385,955)	(12,985)	(410,017)
Provisions for liabilities and charges	-	(1,592,000)	-	(1,592,000)
	<u>295,021</u>	<u>(1,259,788)</u>	<u>11,568,818</u>	<u>10,604,051</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £
Net income for the year (as per Statement of Financial Activities)	11,187,051
Adjustment for:	
Depreciation and amortisation charges	160,419
Interest received	(29)
Increase in stocks	(2,523)
Increase in debtors	(282,203)
Increase in creditors	410,017
Capital grants from DfE and other capital income	(37,298)
Defined benefit pension scheme obligation inherited	980,000
Defined benefit pension scheme cost less contributions payable	7,000
Defined benefit pension scheme finance cost	22,000
Fixed assets inherited on conversion	(11,554,271)
Cash transferred on conversion to an academy trust	(288,063)
Net cash provided by operating activities	602,100

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £
Cash in hand	817,782
Total	817,782

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

24. CONVERSION TO AN ACADEMY TRUST

On 1 August 2015 Tudor Church of England Primary School, on 1 February 2016 St Mary's Church of England Primary School Hadleigh, St Mary's Church of England Primary School Woodbridge and Sproughton Church of England Primary School, on 1 July 2016 Nacton Church of England Primary School and on 1 August 2016 Bramfield Church of England Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St Edmundsbury and Ipswich Diocesan Multi-Academy Trust from Suffolk County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following tables sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities incorporating income and expenditure account.

Tudor Church of England Primary School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	3,405,000	3,405,000
Budget surplus on LA funds	29,389	-	-	29,389
LGPS pension (deficit)	-	(244,000)	-	(244,000)
Total	29,389	(244,000)	3,405,000	3,190,389

The above net assets include £35,327 that were transferred as cash.

St Mary's Church of England Primary School Hadleigh

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	2,527,000	2,527,000
Budget surplus on LA funds	40,442	-	-	40,442
Budget surplus on other school funds	-	-	5,275	5,275
LGPS pension (deficit)	-	(170,000)	-	(170,000)
Total	40,442	(170,000)	2,532,275	2,402,717

The above net assets include £47,294 that were transferred as cash.

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**NOTES TO THE FINANCIAL STATEMENTS
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St Mary's Church of England Primary School Woodbridge

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	2,314,000	2,314,000
Budget surplus on LA funds	102,006	-	-	102,006
Budget surplus on other school funds	-	-	19,512	19,512
LGPS pension (deficit)	-	(204,000)	-	(204,000)
Total	102,006	(204,000)	2,333,512	2,231,518

The above net assets include £126,268 that were transferred as cash.

Sproughton Church of England Primary School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	1,139,000	1,139,000
Budget surplus on LA funds	64,236	-	7,208	71,444
Budget surplus on other school funds	1,477	-	-	1,477
LGPS pension (deficit)	-	(89,000)	-	(89,000)
Total	65,713	(89,000)	1,146,208	1,122,921

The above net assets include £79,175 that were transferred as cash.

Nacton Church of England Primary School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	873,271	873,271
Budget surplus on LA funds	19,699	-	5,925	25,624
LGPS pension (deficit)	-	(136,500)	-	(136,500)
Total	19,699	(136,500)	879,196	762,395

The above net assets include £nil that were transferred as cash.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

Bramfield Church of England Primary School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	1,296,000	1,296,000
Budget surplus on LA funds	48,629	-	23,445	72,074
Budget surplus on other school funds	4,090	-	-	4,090
LGPS pension (deficit)	-	(136,500)	-	(136,500)
Total	52,719	(136,500)	1,319,445	1,235,664

The above net assets includes £nil that were transferred as cash.

25. PENSION COMMITMENTS

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

As described in note 24 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

Contributions amounting to £54,318 were payable to the schemes at 31 August 2016 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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**NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £155,000.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2016 was £142,000. Of which employers' contributions totalled £117,000 and employees contributions totalled £25,000. The agreed contribution rates for future years are 28.0% for employers and tiered % for employees, starting at 5.5% for annual salary between £0 and £13,600, and up to 10.50% for annual salary between £86,001 and £101,200.

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.

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**NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2016
Discount rate for scheme liabilities	2.10 %
Expected return on scheme assets at 31 August	2.10 %
Rate of increase in salaries	4.10 %
Rate of increase for pensions in payment / inflation	2.10 %

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

	2016
Retiring today	
Males	22.4 years
Females	24.4 years
Retiring in 20 years	
Males	24.3 years
Females	26.9 years

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

	Fair value at 31 August 2016 £
Equities	631,000
Debt instruments	183,000
Property	92,000
Cash	9,000
Total market value of assets	915,000

The actual return on scheme assets was £98,000.

The amounts recognised in the Statement of Financial Activities incorporating income and expenditure account are as follows:

	2016 £
Current service cost	(124,000)
Interest on obligation	(40,000)
Expected return on scheme assets	18,000
Total	(146,000)

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**NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2016 £
Upon conversion	1,656,000
Current service cost	124,000
Interest cost	40,000
Contributions by scheme participants	25,000
Actuarial Losses	663,000
	<hr/>
Closing defined benefit obligation	2,508,000
	<hr/>

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

	2016 £
Upon conversion	676,000
Expected return on assets	18,000
Actuarial gains and (losses)	80,000
Contributions by employer	117,000
Contributions by employees	25,000
	<hr/>
	916,000
	<hr/>

26. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £
Amounts payable:	
Within 1 year	676
Between 1 and 5 years	2,543
	<hr/>
Total	3,219
	<hr/>

27. MEMBERS' LIABILITY

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

28. RELATED PARTY TRANSACTIONS

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

St Edmundsbury and Ipswich Diocesan Board of Finance (Board of Finance) is a related party due to its powers in relation to the appointment of academy trust members. During the year period the academy trust received a donation of £33,064 from the Board of Finance and the academy trust purchased goods and services from the Board of Finance of £3,168 and of its subsidiary company, Churchgates 2000 Limited, of £680.

Certain schools occupy premises that are owned by the Board of Finance. No charge is made for occupation. The terms of occupation are included in note 16.

The Board of Finance also provided the services of certain staff and office accommodation to the trust without charge.

29. POST BALANCE SHEET EVENTS

Long Melford Church of England Primary School, a school of approximately 215 pupils, joined the academy trust on 1 September 2016.

Eyke Church of England Primary School, a school of approximately 120 pupils, joined the academy trust on 1 November 2016.