



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 YEAR ENDED 31 AUGUST 2018

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

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members

St Edmundsbury and Ipswich Academies Umbrella Trust
The Right Reverend M Seeley, Bishop of St Edmundsbury and Ipswich
The Reverend R Hinsley
N Watts

Trustees

Mrs J Sheat
Mrs F Hotston Moore
Mrs C E Robinson, Chair (from 29 November 2017)
The Venerable Dr D Jenkins, Chair (resigned 29 November 2017)
The Reverend R Hinsley
Mr A Gourlay
Mr T Brooke
Mr S Cole (appointed 29 November 2017)
Mr A Blit (appointed 9 May 2018)

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 & business and finance manager

Mrs M Roots

Chief executive officer

Mrs J Sheat

Independent auditors

Larking Gowen LLP, 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
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

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

The Trust operates 17 primary academies in Suffolk at 31 August 2018: Tudor in Sudbury, St Mary's in Woodbridge, Sproughton, St Mary's in Hadleigh, Nacton, Bramfield, Long Melford, Eyke, Mellis, Hartest, Stoke-by-Nayland, Chelmondiston, Ringsfield, Brampton, Hintlesham & Chattisham, Morland in Ipswich and All Saints in Newmarket. Its academies had a combined roll of 2434 at 31 August 2018, based on the October 2017 pupil census. Three schools joined in the course of the year.

Structure, governance and management

Constitution

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust. The Trust was incorporated on 19 March 2015.

The Trustees of St Edmundsbury and Ipswich Diocesan Multi-Academy Trust are also the directors of the charitable company for the purpose 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 are included in the Reference and administrative details on page 1.

Members' liability

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

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. Two new trustees joined the Trust in 2017/18.

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 hold a strategic away day every July.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 Trust is responsible for appointing Headteachers and for carrying out their performance management, both in close collaboration with local governors.

The Finance and Audit Committee met five times in the 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 five times a year. Chairs and Vice Chairs of Governors also meet termly.

Arrangements for setting pay and remuneration of 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). The Buildings Officer is also employed by the Diocese.

The CEO maintains the staff consultation arrangements previously established with the six teaching unions and UNISON (for support staff). The Trust pays for trade union facilities time.

The Trust follows Suffolk County Council's Employment and Disability Guidance, offering an interview to any candidate who declares a disability on their application form if they meet the essential criteria for the post advertised. The Trust seeks to make reasonable adjustments for employees who become disabled. Arrangements for performance review, training and development should be the same as for all other staff, unless there is a need for any further reasonable adjustments.

Related Parties and other Connected Charities and Organisations

The St Edmundsbury and Ipswich Diocesan Board of Finance (company registration no. 00143034) is a related party as Revd Hinsley is both a Director of the company and of the Multi-Academy Trust.

There is no financial gain either for the individual or for organisation.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Trade union facility time

The Trust paid £5,734 for union facilities for 2017-18. This amounted to 0.07% of the total pay bill of £7,975,333. The Trust subscribes to a pooled union facilities arrangement for all Suffolk schools and has no employees who are union officials for facility time during the relevant period.

Objectives and Activities

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.

Objectives, strategies and activities

In this reporting period, the Trust has grown 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 Trustees have the necessary information about a school prior to its joining. It has approved a number of policies, which may be found on the Trust's website at www.cofesuffolkmatmat.org.

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Achievements and performance

Strategic report

Key performance indicators

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

School	Pupil nos. as at October 2017 census	Ofsted judgement	Date of last inspection	Date joined the MAT
Tudor	230	Good	May 2018	1 August 2015
Sproughton	99	Good	November 2014	1 February 2016
Hadleigh St Mary's	180	Good	October 2015	1 February 2016
Woodbridge St Mary's	206	Good	October 2013	1 February 2016
Nacton	95	Outstanding	April 2008	1 July 2016
Bramfield	88	Good	May 2016	1 August 2016
Long Melford	161	Inadequate	June 2015	1 September 2016
Eyke	111	Good	December 2012	1 November 2016
Hartest	69	Good	January 2013	1 June 2017
Mellis	179	Outstanding	November 2008	1 June 2017
Stoke by Nayland	71	Requires Improvement	February 2017	1 June 2017
Chelmondiston	113	Good	January 2013	1 July 2017
Ringsfield	87	Good	June 2015	1 July 2017
Brampton	73	Good	July 2013	1 July 2017
Hintlesham & Chattisham	92	Outstanding	January 2009	1 March 2018
Morland	377	Inadequate	June 2017	1 May 2018
All Saints, Newmarket	203	Good	November 2015	1 July 2018
Grand total	2,434			

School improvement is our key priority. We were delighted with the outcome of the Ofsted inspection of our first MAT school, Tudor, which was judged Good in May 2018, with Early Years judged Outstanding. Two schools were also judged Good in their SIAMS inspection during the year: Nacton and St Mary's, Woodbridge. Three new headteachers were appointed during the year.

All schools use the same assessment system and Trustees and local governing bodies use a School on a Page template to capture information about the attainment and progress of pupils, attendance and exclusions. Trustees scrutinise the performance of schools and groups of pupils.

School Effectiveness Plus was introduced last year, as a way of evaluating stakeholder views, assessment outcomes and identifying future school and MAT priorities.

The Trust successfully bid for some MAT Development Improvement Funding (MDIF) from the Department for Education (DFE) which has enabled it to implement two projects. One involves the Children's University and is all about raising pupils' aspirations at primary level. The other involves the YMCA in training to equip teachers to identify mental health issues in pupils. Both demonstrate the Trust's commitment to put pupils at the heart of all it does.

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TRUSTEES' REPORT (continued)
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The Trust implemented a Financial Recovery Plan and Licensed Deficit Procedure for MAT schools during the year. This ensures a transparent approach to schools in financial difficulty.

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. The Trust benchmarks its salary costs as a percentage of total income.

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. The Trust prepared detailed three- year budget plans for reviewing the schools' financial sustainability before approving annual budgets for the year reported and for 2018/19. 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

Summary of Financial Position

During the year the Trust received income of **£11,344,254**. Of this sum, **£707,878** includes assets transferred upon academy conversion. **£9,228,606** was received from the Education and Skills Funding Agency and Department for Education, mainly for the day to day running costs of the schools and academy conversion costs, infrastructure and school improvement. In addition, a donation of **£50,004** was received from the St Edmundsbury and Ipswich Diocese, part of a three-year agreement totalling **£150,000**. The Trust spent **£10,576,704** before transfers.

Revenue

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

Revenue excl pension fund	Unrestricted Funds £	Restricted Funds £	Total £
Brought forward from 31 August 2017	801,892	701,298	1,503,190
Income	1,169,179	9,623,330	10,792,509
Expenditure	(382,129)	(9,275,937)	(9,658,066)
Net expenditure before transfers	787,050	347,393	1,134,443
Transfers	(32,840)	(478,236)	(511,076)
In year budget position and reserves carried forward to 1 Sep 2018	1,556,102	570,455	2,126,557

The summary of schools' revenue balances may be found towards the end of Note 20. (Statement of funds on page 41)

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TRUSTEES' REPORT (continued)
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Capital (Fixed Assets)

The Trust spent **£143,189** across its schools on furniture and equipment and IT hardware and **£29,153** on intangible assets (software). Improvements to church trustee owned buildings amounted to **£86,095**. Previously, this expenditure would have been classed as additions to fixed assets.

Reserves

The Trust's reserves are summarised below:

Reserves	Available £	Tangible assets £	Intangible assets (software)	Total
Revenue cfwd	2,126,557	-	-	2,126,557
Capital balances cfwd	503,005	5,218,148	65,175	5,786,328
Total before pension	2,629,562	5,218,148	65,175	7,912,885
Pension Fund deficit				(2,358,000)
Grand Total	2,629,562	5,218,148	65,175	5,554,885

The purpose of the reserves policy for the Trust is to ensure the stability of the schools' operations, to protect it so that it can adjust quickly to financial circumstances, such as large unplanned expenditure, cyclical maintenance and working capital requirements. The Trust holds reserves 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 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 most of the Trust'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 2018 was **£1,556,102**. A large proportion of this was for the Local Authority funds transferred to the Trust when schools joined during the year. This will be mainly used towards schools' budgets in 2018-19 and in the medium term. These reserves are categorised as 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 Department for Education grants (school improvement, academy conversion and sponsorship) and General Annual Grant. The total of restricted fund reserves to carry forward is **£570,455** (excluding the local government pension deficit of **£2,358,000**). These grants will be used by the Trust and its schools in the medium term to support budgets and for school improvement plans.

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TRUSTEES' REPORT (continued)
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Material Investments Policy

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

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 2018, the deficit on this reserve amounted to **£2,358,000**. The employer's contributions to the pension scheme were initially expected to increase but decreased slightly from 1 April 2017 following an actuarial review. The pension deficit 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 if an academy Trust is closed to maintain parity of contribution rates between local authority maintained and academy status schools.

Financial Risk Management Objectives and 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. Most purchases are authorised at school level by the Headteacher and for the central Trust, by the CEO.

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 and Skills 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 school improvement costs for sponsored schools and academy conversion costs. Some 99.5% of the funding received is towards the Trust's educational activities.

The Trust successfully bid for capital funding for Condition Improvement Fund grant for four of its schools, totalling **£358,045** with **£322,241** received in 2017/18. This is being used to fund investment in roofing, fire safety and facilities projects. Due to the buildings being church trustee owned, this expenditure is not recognised for assets in the balance sheet and shows as maintenance within the individual school's revenue budgets with a fund transfer from the grant received.

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TRUSTEES' REPORT (continued)
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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 with an appointment in the Autumn term.

School-level risk templates have been rolled out to the Trust's schools on a pilot basis and will be completed by local governing bodies and reviewed centrally to feed into the strategic register as necessary.

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

- Funding of pay awards
- Funding of increases to employers' pension contributions
- In-year deficits eroding reserves

Like many multi academy trusts, risks arise from schools indicating potential deficits in future years. These risks are being addressed with prudent budget management and using contingencies and balances carried forward in the short and medium term. The Trust's schools prepared detailed medium-term plans as part of the review and approval process for the Trust Board to approve the final budget for 2018-19. The trustees approved a financial recovery plan and licenced deficit procedure which was implemented during 2017-18 for the schools affected and includes reporting of higher risk schools to the Finance and Audit Committee for strategic review.

The main non- financial risk is of reputation and ability to deliver effective school improvement to the sponsored schools. This has been addressed with the appointment of the Head of School Improvement and continued facilitation of school to school support. Two of the Trust's schools were inspected by Ofsted as academies and were rated "Good" during 2018. The Trust is also being cautious with its due diligence when considering which schools may join.

Fundraising

As a charity, the Trust is now required to state its approach towards fundraising in line with Section 13 of the Charities (Protection and Social Investment) Act 2016.

The Trust is mainly funded via Government grants and does not engage in fundraising activities or canvassing for the schools' budgets. Most schools have a Parents' and Teachers' Association (or something similar) which raises funds for its school and makes a donation. Such activities are usually low key and local to the school. Headteachers are typically members of PTA committees and ensure that activities are monitored and appropriate. Parents are not obliged to contribute towards PTA activities but are encouraged to take part in a number of different ways in order to support their children's schools. This builds a sense of community and strong links with local families. The Trust has not received complaints about fundraising.

Employee Involvement and Employment of the Disabled

Employees have been consulted on issues of concern to them by means of regular staff meetings and have been kept informed on specific matters directly by management. The Trust has implemented a number of policies in relation to all aspects of employment matters including a health & safety policy.

In accordance with equal opportunities legislation, the academy has fair employment practices in the recruitment, selection, retention and training of disabled staff.

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TRUSTEES' REPORT (continued)
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Plans for Future Periods

The Trust will continue to attract good and outstanding schools which give further capacity to support underperforming schools. It is planned for another school to join the Trust in the autumn term of 2018. The Trust continues to work highly collaboratively, enhancing networks for governors, bursars and teachers.

Catering services have already been tendered with a new contract taking effect from September 2018. Further services will be considered for tendering.

Funds Held as Custodian Trustee on Behalf of Others

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

Auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12 December 2018 and signed on its behalf by:

Mrs C E Robinson
Chair of Trustees

C Robinson

Mrs J Sheat
Accounting Officer

Jane Sheat

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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 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs J Sheat	6	6
Mrs F Hotston Moore	4	6
Mrs C E Robinson, Chair (from 29 November 2017)	4	6
The Venerable Dr D Jenkins, Chair	2	2
The Reverend R Hinsley	5	6
Mr A Gourlay	5	6
Mr T Brooke	5	6
Mr S Cole	1	5
Mr A Blit	2	2

David Jenkins resigned as Chair of the Trust in November 2017 and was succeeded by the Vice Chair, Caroline Robinson. Trustees record their thanks to David Jenkins for his chairmanship since the formation of the MAT.

Trustees also held a strategic away day on 25 July 2018 to review the third year of operation and to plan for the future. Trustees hold such an event annually.

The Finance and Audit Committee is a sub-committee of the main board of Trustees. It met five times in the year and its purpose is to take a strategic view on the forward planning of Trust 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 year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs F Hotston Moore	4	5
Mr A Gourlay	3	4
The Reverend R Hinsley	2	4
Mr T Brooke	2	5
Mr S Cole	1	2
Mr A Blit	1	1

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GOVERNANCE STATEMENT (continued)

Review of Value for Money

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

The Accounting Officer considers how the academy'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 has delivered improved value for money during the year by:

- 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) and Vertas for energy contracts
- using a wide range of school improvement partners
- commissioning work with YMCA, Children's University and an Educational Psychology service for all schools, which has proved more cost-effective than individual schools paying separately
- arranging for a Data Protection Officer to work with all MAT schools on the General Data Protection Regulations (GDPR)
- centralised subscriptions
- requiring schools to seek quotations in accordance with the Trust's procedures
- having successfully bid for Condition Improvement Fund grants which will reduce future expenditure on maintenance

As the Trust grows, further value for money will be achieved, including a new tendered catering contract which started in September 2018.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been developing throughout the reporting period 1 September 2017 to 31 August 2018.

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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. The Risk Review Working Group of trustees met three times in the year 2017/18. This process is regularly reviewed by the board of trustees.

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GOVERNANCE STATEMENT (continued)

The Risk and Control Framework

The academy'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 for local governing bodies;
- finance 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;
- cloud accounting facilitating oversight of schools' financial transactions;
- centralised banking and bank reconciliation;
- central financial system administration for the accounting system and online banking;
- central checks on authorisation of invoices and expenses;
- central checks on authorisation of schools' monthly pre-payroll;
- identification and management of risks.

The external auditor, as part of the external audit process, has tested controls of payroll, purchasing and income that will be considered and addressed if not already, by the finance and audit committee.

Review of Effectiveness

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

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

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

Approved by order of the members of the board of trustees on 12 December 2018 and signed on their behalf, by:

Mrs C E Robinson
Chair of Trustees

C Robinson

Mrs J Sheat
Accounting Officer

Jane Sheat

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

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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

Jane Sheat

Mrs J Sheat
Accounting Officer

Date: 12 December 2018

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees (who 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 & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 12 December 2018 and signed on its behalf by:


Mrs C E Robinson
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

Opinion

We have audited the financial statements of St Edmundsbury and Ipswich Diocesan Multi-Academy Trust (the 'academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the academy'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'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 and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Larking Gowen LLP

Christopher Yeates FCA DChA (Senior statutory auditor)

for and on behalf of

Larking Gowen LLP

Chartered Accountants
Statutory Auditors

Ipswich
17 December 2018

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

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

In accordance with the terms of our engagement letter dated 1 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Edmundsbury and Ipswich Diocesan Multi-Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St Edmundsbury and Ipswich Diocesan Multi-Academy Trust and the ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Edmundsbury and Ipswich Diocesan Multi-Academy Trust and the ESFA, 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 accountant

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

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2017 to 2018. 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 year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Larking Gowen LLP

Larking Gowen LLP
Chartered Accountants
Statutory Auditors
Ipswich

17 December 2018

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

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:						
Donations & capital grants:						
Transfer from local authority on conversion	2	559,588	(635,000)	783,290	707,878	1,986,101
Other donations and capital grants	2	169,747	-	403,455	573,202	173,555
Charitable activities	3	379,443	9,623,330	-	10,002,773	6,949,655
Other trading activities	4	36,611	-	-	36,611	28,690
Investments	5	2,092	-	-	2,092	102
Other income	6	21,698	-	-	21,698	2,400
Total income		1,169,179	8,988,330	1,186,745	11,344,254	9,140,503
Expenditure on:						
Charitable activities		382,129	10,085,937	108,638	10,576,704	6,868,469
Total expenditure	7	382,129	10,085,937	108,638	10,576,704	6,868,469
Net income / (expenditure) before transfers		787,050	(1,097,607)	1,078,107	767,550	2,272,034
Transfers between Funds	20	(32,840)	6,764	26,076	-	-
Net income / (expenditure) before other recognised gains and losses		754,210	(1,090,843)	1,104,183	767,550	2,272,034
Actuarial gains on defined benefit pension schemes	25	-	575,000	-	575,000	955,000
Net movement in funds		754,210	(515,843)	1,104,183	1,342,550	3,227,034
Reconciliation of funds:						
Total funds brought forward		801,892	(1,271,702)	4,682,145	4,212,335	985,301
Total funds carried forward		1,556,102	(1,787,545)	5,786,328	5,554,885	4,212,335

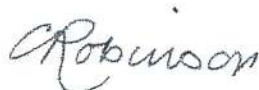
ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 09499496

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Intangible assets	15		65,175		77,305
Tangible assets	16		5,218,148		4,417,744
			<u>5,283,323</u>		<u>4,495,049</u>
Current assets					
Stocks	17	12,593		1,533	
Debtors	18	1,123,824		935,991	
Cash at bank and in hand		2,409,704		1,429,977	
		<u>3,546,121</u>		<u>2,367,501</u>	
Creditors: amounts falling due within one year	19	(916,559)		(677,215)	
Net current assets			<u>2,629,562</u>		<u>1,690,286</u>
Total assets less current liabilities			<u>7,912,885</u>		<u>6,185,335</u>
Defined benefit pension scheme liability	25		(2,358,000)		(1,973,000)
Net assets including pension scheme liabilities			<u>5,554,885</u>		<u>4,212,335</u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	20	570,455		701,298	
Restricted fixed asset funds	20	5,786,328		4,682,145	
Restricted income funds excluding pension liability		6,356,783		5,383,443	
Pension reserve		(2,358,000)		(1,973,000)	
Total restricted income funds			<u>3,998,783</u>		<u>3,410,443</u>
Unrestricted income funds	20		1,556,102		801,892
Total funds			<u>5,554,885</u>		<u>4,212,335</u>

The financial statements on pages 21 to 52 were approved by the Trustees, and authorised for issue, on 12 December 2018 and are signed on their behalf, by:

Mrs C E Robinson
Chair of Trustees



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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	22	<u>1,020,156</u>	<u>458,774</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		2,092	102
Purchase of tangible fixed assets		(143,189)	(62,986)
Capital grants from DfE Group		66,437	72,819
Purchase of intangible fixed assets		(29,153)	(59,461)
Cash transferred on conversion to an academy trust		63,384	202,947
Net cash (used in)/provided by investing activities		<u>(40,429)</u>	<u>153,421</u>
Change in cash and cash equivalents in the year		979,727	612,195
Cash and cash equivalents brought forward		1,429,977	817,782
Cash and cash equivalents carried forward	23	<u><u>2,409,704</u></u>	<u><u>1,429,977</u></u>

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

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 2017 to 2018 issued by ESFA, 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 at the discretion of the Trustees.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting policies (continued)

1.3 Income

All income is recognised once the academy 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 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 receipt is probable 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 receipt is probable 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.

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. Accounting policies (continued)

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.

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

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 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 on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Purchased computer software - 3 years

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. Accounting policies (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

As described in note 16, the Trust occupies school buildings under licence agreements with St Edmundsbury and Ipswich Diocesan Board of Finance, and playing fields under 125 year leases with Suffolk County Council.

The trustees have considered the licence arrangement for the school buildings in the context of the accounting requirement set out in Academies Accounts Direction 2017 to 2018 and have determined that the conditions required to conclude that the Trust has control over the properties are not met and consequently the buildings are not recognised in the financial statements. The licence arrangement allows the Trust to occupy the buildings free of charge. No income or expenditure is recognised for the rent free occupation because the trustees do not consider that a reliable measure of the amount the Trust would otherwise have to pay to secure the premises can be made.

Playing fields 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.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold land	-	125 years
Furniture and fixtures	-	10 - 15 years

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.

1.8 Interest receivable

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

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting policies (continued)

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.

1.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid 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 and provisions 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 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.

1.14 Taxation

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. Accounting policies (continued)

1.15 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.16 Critical accounting estimates and areas of judgement

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

Critical areas of judgment:

As described in note 1.7, the trustees have determined that a reliable estimate of the amount the trust would otherwise have to pay to occupy its rent free premises can not be made.

2. Income from donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Transfer from local authority on conversion	559,588	(635,000)	783,290	707,878	1,986,101
Donations	169,747	-	-	169,747	96,977
Capital Grants	-	-	403,455	403,455	76,578
Subtotal	169,747	-	403,455	573,202	173,555
	729,335	(635,000)	1,186,745	1,281,080	2,159,656
Total 2017	565,164	(1,160,000)	2,754,492	2,159,656	

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3. Funding for Academy's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
GAG	-	7,908,057	7,908,057	5,266,480
Start Up Grants	-	100,000	100,000	150,000
Other DfE/ESFA Grants	-	713,003	713,003	662,246
Pupil Premium	-	507,546	507,546	355,727
	-	9,228,606	9,228,606	6,434,453
Other government grants				
Other Local Authority Grants	-	394,724	394,724	212,503
	-	394,724	394,724	212,503
Other funding				
Other income from operations	379,443	-	379,443	302,699
	379,443	-	379,443	302,699
	379,443	9,623,330	10,002,773	6,949,655
<i>Total 2017</i>	302,699	6,646,956	6,949,655	

4. Other trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings income	21,272	-	21,272	17,516
Adult meals income	6,663	-	6,663	4,600
Uniform income	7,622	-	7,622	4,111
Other income	1,054	-	1,054	2,463
	36,611	-	36,611	28,690
<i>Total 2017</i>	28,690	-	28,690	

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5. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	2,092	-	2,092	102
<i>Total 2017</i>	102	-	102	

6. Other incoming resources

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Insurance income	17,650	-	17,650	2,400
Feed in tariff	4,048	-	4,048	-
	21,698	-	21,698	2,400
<i>Total 2017</i>	2,400	-	2,400	

7. Expenditure

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Academy's educational operations:					
Direct costs	6,966,354	-	878,951	7,845,305	5,150,008
Support costs	1,008,979	768,589	953,831	2,731,399	1,718,461
	7,975,333	768,589	1,832,782	10,576,704	6,868,469
<i>Total 2017</i>	5,240,936	462,452	1,165,081	6,868,469	

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Support costs

	Academy's educational operations £	Total 2018 £	As restated Total 2017 £
Technology costs	145,933	145,933	75,736
Premises costs	768,589	768,589	423,438
Governance costs	48,186	48,186	36,231
Other support costs	719,093	719,093	502,063
Wages and salaries	1,008,979	1,008,979	654,912
Depreciation	40,619	40,619	26,081
	<u>2,731,399</u>	<u>2,731,399</u>	<u>1,718,461</u>
<i>Total 2017</i>	<u>1,718,461</u>	<u>1,718,461</u>	

9. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charity	67,360	69,808
Amortisation of intangible fixed assets	41,283	25,612
Auditors' remuneration	12,500	10,500
Auditors' remuneration - non audit	<u>4,100</u>	<u>4,475</u>

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10. Staff costs

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	7,513,852	4,842,258
Operating costs of defined benefit pension schemes	268,000	127,000
	<u>7,781,852</u>	<u>4,969,258</u>
Agency staff costs	189,428	262,178
Staff restructuring costs	4,053	9,500
	<u><u>7,975,333</u></u>	<u><u>5,240,936</u></u>

Staff restructuring costs comprise:

	2018 £	2017 £
Redundancy payments	4,053	-
Non-statutory payments	-	9,500
	<u><u>4,053</u></u>	<u><u>9,500</u></u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring is one non-contractual voluntary redundancy payment for £4,053.

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	122	77
Admin & Support	260	180
Management	13	9
	<u><u>395</u></u>	<u><u>266</u></u>

d. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	2

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff costs (continued)

e. Key management personnel

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 £787,400 (2017 - £531,922).

Wages and salaries breakdown

	2018 £	2017 £
Wages and salaries	5,935,484	3,841,869
Social security costs	449,569	294,514
Pension costs	1,382,070	829,868
Apprenticeship levy	14,729	3,007
Total	<u>7,781,852</u>	<u>4,969,258</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Central services

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

- Human Resources
- Payroll
- Pension
- Finance
- Wellbeing
- Occupational Health
- Procurement
- Subscriptions (The Key, Fischer Family Trust)
- Assessment Tracking System (Target Tracker)
- Online Training (Educare)
- School Improvement reviews
- Headteacher performance reviews
- Headteacher and Business Network Meetings
- Buildings
- Risk Management
- GDPR Data Protection Officer
- Governance

The academy 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:

	2018 £	2017 £
All Saints Church of England Primary School	6,498	-
Bramfield Church of England Primary School	20,384	21,777
Brampton Church of England Primary School	19,448	3,316
Chelmondiston Church of England Primary School	22,491	3,831
Eyke Church of England Primary School	24,007	18,722
Hartest Church of England Primary School	15,573	3,945
Hintlesham and Chattisham Church of England Primary School	10,066	-
Long Melford Church of England Primary School	31,134	36,825
Mellis Church of England Primary School	30,989	7,824
Morland Church of England Primary School	27,208	-
St Mary's Church of England Primary School Hadleigh	28,786	29,268
St Mary's Church of England Primary School Woodbridge	35,999	36,625
Nacton Church of England Primary School	21,145	21,351
Ringsfield Church of England Primary School	18,315	3,125
Stoke by Nayland Church of England Primary School	17,849	4,514
Sproughton Church of England Primary School	20,544	21,443
Tudor Church of England Primary School	45,113	51,217
Total	395,549	263,783

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12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration (2017 - £NIL).
During the year, no Trustees received any benefits in kind (2017 - £NIL).
During the year ended 31 August 2018, expenses totalling £1,129 (2017 - £1,806) were reimbursed to 5 Trustees (2017 - 4).

The Chief Executive Officer is employed by St Edmundsbury and Ipswich Diocesan Board of Finance as Diocesan Director of Education. During the year the academy trust was charged £5,316 (2017: £nil) as part of the agreement with St Edmundsbury and Ipswich Diocesan Board of Finance as a contribution towards her salary cost.

13. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

14. Other finance income

	2018 £	2017 £
Expected return on pension scheme assets	76,000	32,000
Interest on pension scheme liabilities	(133,000)	(81,000)
	<u>(57,000)</u>	<u>(49,000)</u>

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15. Intangible fixed assets

	Computer Software £
Cost	
At 1 September 2017	112,813
Additions	29,153
At 31 August 2018	141,966
Amortisation	
At 1 September 2017	35,508
Charge for the year	41,283
At 31 August 2018	76,791
Carrying amount	
At 31 August 2018	65,175
At 31 August 2017	77,305

16. Tangible fixed assets

	Leasehold property £	Furniture and fixtures £	Plant and equipment £	Total £
Cost				
At 1 September 2017	4,410,270	68,387	36,819	4,515,476
Additions	724,575	84,222	58,967	867,764
At 31 August 2018	5,134,845	152,609	95,786	5,383,240
Depreciation				
At 1 September 2017	82,358	5,271	10,103	97,732
Charge for the year	36,717	9,346	21,297	67,360
At 31 August 2018	119,075	14,617	31,400	165,092
Net book value				
At 31 August 2018	5,015,770	137,992	64,386	5,218,148
At 31 August 2017	4,327,912	63,116	26,716	4,417,744

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16. Tangible fixed assets (continued)

Terms of occupation of premises

Academy name	Playing fields
All Saints Church of England Primary School	125 year lease SCC
Bramfield Church of England Primary School	125 year lease SCC
Brampton Church of England Primary School	125 year lease SCC
Chelmondiston Church of England Primary School	125 year lease SCC
Eyke Church of England Primary School	125 year lease SCC
Hartest Church of England Primary School	125 year lease SCC
Hintlesham & Chattisham Church of England Primary School	n/a
Long Melford Church of England Primary School	125 year lease SCC
St Mary's Church of England Primary School Hadleigh	125 year lease SCC
St Mary's Church of England Primary School Woodbridge	125 year lease SCC
Mellis Church of England Primary School	125 year lease SCC
Morland Church of England Primary School	125 year lease SCC
Nacton Church of England Primary School	n/a
Ringsfield Church of England Primary School	n/a
Sproughton Church of England Primary School	125 year lease SCC
Stoke by Nayland Church of England Primary School	125 year lease SCC
Tudor Church of England Primary School	125 year lease SCC

SCC = Suffolk County Council

School buildings are occupied under licence arrangements with St Edmundsbury & Ipswich Diocesan Board of Finance with a 2 year notice period. The accounting policy for buildings is described in note 1.7.

17. Stocks

	2018	2017
	£	£
Stocks	12,593	1,533

18. Debtors

	2018	2017
	£	£
Trade debtors	8,046	5,173
Other debtors	651,679	723,383
Prepayments and accrued income	464,099	207,435
	1,123,824	935,991

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19. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	241,231	202,666
Other taxation and social security	133,565	98,979
Other creditors	164,402	130,795
Accruals and deferred income	377,361	244,775
	<u>916,559</u>	<u>677,215</u>
	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	169,963	172,277
Resources deferred during the year	227,063	169,963
Amounts released from previous years	(169,963)	(172,277)
	<u>227,063</u>	<u>169,963</u>
Deferred income at 31 August 2018	<u>227,063</u>	<u>169,963</u>

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

20. Statement of funds

	Balance brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds - all funds	801,892	1,169,179	(382,129)	(32,840)	-	1,556,102
Restricted funds						
General Annual Grant (GAG)	180,131	7,908,057	(7,588,253)	(486,440)	-	13,495
Start Up Grants	123,153	100,000	(72,866)	(27,999)	-	122,288
Pupil Premium	18,945	507,546	(517,567)	-	-	8,924
Other Grants	379,069	1,107,727	(1,097,251)	36,203	-	425,748
Pension reserve	(1,973,000)	(635,000)	(810,000)	485,000	575,000	(2,358,000)
	<u>(1,271,702)</u>	<u>8,988,330</u>	<u>(10,085,937)</u>	<u>6,764</u>	<u>575,000</u>	<u>(1,787,545)</u>

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20. Statement of funds (continued)

Restricted fixed asset funds

Transfer on conversion	4,466,565	783,290	(43,763)	-	-	5,206,092
DfE Capital Grants	94,937	403,455	(6,747)	(91,316)	-	400,329
Other Capital Income	11,350	-	(5,400)	-	-	5,950
Capital Expenditure from GAG	10,464	-	(4,191)	1,440	-	7,713
Capital Expenditure from Restricted	96,136	-	(42,041)	83,113	-	137,208
Capital Expenditure from Unrestricted	2,693	-	(6,496)	32,839	-	29,036
	<u>4,682,145</u>	<u>1,186,745</u>	<u>(108,638)</u>	<u>26,076</u>	<u>-</u>	<u>5,786,328</u>
Total restricted funds	<u>3,410,443</u>	<u>10,175,075</u>	<u>(10,194,575)</u>	<u>32,840</u>	<u>575,000</u>	<u>3,998,783</u>
Total of funds	<u>4,212,335</u>	<u>11,344,254</u>	<u>(10,576,704)</u>	<u>-</u>	<u>575,000</u>	<u>5,554,885</u>

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.

The restricted fixed asset fund 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 was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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20. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	<i>Total 2017 £</i>
All Saints Church of England Primary School	28,364	-
Bramfield Church of England Primary School	138,082	76,678
Brampton Church of England Primary School	75,631	108,634
Chelmondiston Church of England Primary School	25,942	38,888
Eyke Church of England Primary School	22,102	(7,157)
Hartest Church of England Primary School	18,909	55,264
Hintlesham & Chattisham Church of England Primary School	65,236	-
Long Melford Church of England Primary School	103,271	78,825
St Mary's Church of England Primary School Hadleigh	(13,933)	19,077
St Mary's Church of England Primary School Woodbridge	71,058	64,071
Mellis Church of England Primary School	16,224	16,930
Morland Church of England Primary School	477,734	-
Nacton Church of England Primary School	52,046	22,793
Ringsfield Church of England Primary School	49,217	71,320
Stoke-by-Nayland Church of England Primary School	230,309	174,580
Sproughton Church of England Primary School	47,724	50,999
Tudor Church of England Primary School	102,617	127,055
Central MAT	616,024	605,233
Total before fixed asset fund and pension reserve	2,126,557	1,503,190
Restricted fixed asset fund	5,786,328	4,682,145
Pension reserve	(2,358,000)	(1,973,000)
Total	5,554,885	4,212,335

The following academy is carrying a net deficit on its portion of the funds as follows:

Name of academy	Amount of deficit £
St Mary's Church of England Primary School Hadleigh	(13,933)

St Mary's budget was forecast to go into deficit during 2017-18 and measures were taken to reduce the deficit to a lower level.

The academy is taking the following action to return the academy to surplus:

The Trustees approved a financial recovery plan and licenced deficit on the basis that the school will return to a surplus reserves position during 2018-19 by receiving increased grant funding from a substantial increase in pupil numbers. The school's medium term plan indicates increasing reserves over the next three years.

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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 depreciat- ion £	Total 2018 £	Total 2017 £
All Saints	113,642	15,844	2,842	25,453	157,781	-
Bramfield	313,220	38,882	10,626	103,548	466,276	486,396
Brampton	354,282	35,888	15,461	109,971	515,602	65,289
Chelmondiston	355,170	51,657	22,673	126,813	556,313	75,569
Eyke	349,568	39,012	20,344	122,404	531,328	475,445
Hartest	269,592	28,704	12,418	171,946	482,660	79,760
Hintlesham & Chattisham	160,200	17,731	5,226	36,930	220,087	-
Long Melford	538,148	97,296	33,351	148,742	817,537	836,828
St Mary's Hadleigh	588,786	63,318	6,715	177,828	836,647	817,250
St Mary's Woodbridge	556,646	77,238	35,806	203,313	873,003	901,021
Mellis	491,162	49,117	32,110	174,815	747,204	172,617
Morland	444,998	57,232	20,726	95,015	617,971	-
Nacton	317,532	29,349	16,257	125,203	488,341	531,169
Ringsfield	353,340	46,072	13,871	104,128	517,411	75,353
Stoke-by-Nayland	304,443	22,607	14,529	91,587	433,166	110,825
Sproughton	329,312	47,646	12,598	101,064	490,620	530,696
Tudor	758,772	131,129	26,197	222,185	1,138,283	1,190,369
Central MAT	95,486	160,258	7,134	314,959	577,837	424,468
	<u>6,694,299</u>	<u>1,008,980</u>	<u>308,884</u>	<u>2,455,904</u>	<u>10,468,067</u>	<u>6,773,055</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
General Funds	295,020	899,055	(388,794)	(3,390)	-	801,891
Restricted funds						
General Annual Grant (GAG)	96,966	5,266,480	(4,883,651)	(299,664)	-	180,131
Start Up Grants	88,945	150,000	(56,332)	(59,460)	-	123,153
Pupil Premium	2,592	355,727	(339,374)	-	-	18,945
Other Grants	143,709	874,749	(636,898)	(2,491)	-	379,069
Pension reserve	(1,592,000)	(1,160,000)	(468,000)	292,000	955,000	(1,973,000)
	<u>(1,259,788)</u>	<u>5,486,956</u>	<u>(6,384,255)</u>	<u>(69,615)</u>	<u>955,000</u>	<u>(1,271,702)</u>
Restricted fixed asset funds						
Transfer on conversion	1,847,895	2,677,914	(59,244)	-	-	4,466,565
DfE Capital Grants	24,298	76,578	(2,180)	(3,759)	-	94,937
Other Capital Income	12,650	-	(1,300)	-	-	11,350
Capital Expenditure from GAG	5,288	-	(2,488)	7,664	-	10,464
Capital Expenditure from Restricted	56,711	-	(26,285)	65,710	-	96,136
Capital Expenditure from Unrestricted	3,226	-	(3,923)	3,390	-	2,693
	<u>1,950,068</u>	<u>2,754,492</u>	<u>(95,420)</u>	<u>73,005</u>	<u>-</u>	<u>4,682,145</u>
Total restricted funds	<u>690,280</u>	<u>8,241,448</u>	<u>(6,479,675)</u>	<u>3,390</u>	<u>955,000</u>	<u>3,410,443</u>
Total of funds	<u>985,300</u>	<u>9,140,503</u>	<u>(6,868,469)</u>	<u>-</u>	<u>955,000</u>	<u>4,212,334</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Intangible fixed assets	-	-	65,175	65,175
Tangible fixed assets	-	-	5,218,148	5,218,148
Current assets	1,605,019	1,434,616	506,486	3,546,121
Creditors due within one year	(48,889)	(867,670)	-	(916,559)
Provisions for liabilities and charges	-	(2,358,000)	-	(2,358,000)
	<u>1,556,102</u>	<u>(1,787,545)</u>	<u>5,786,328</u>	<u>5,554,885</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Intangible fixed assets	-	-	77,305	77,305
Tangible fixed assets	-	-	4,417,744	4,417,744
Current assets	819,700	1,358,348	189,452	2,367,500
Creditors due within one year	(17,809)	(657,050)	(2,356)	(677,215)
Provisions for liabilities and charges	-	(1,973,000)	-	(1,973,000)
	<u>801,891</u>	<u>(1,271,702)</u>	<u>4,682,145</u>	<u>4,212,335</u>

22. Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	767,550	2,272,034
Adjustment for:		
Depreciation and amortisation charges	108,643	95,420
Dividends, interest and rents from investments	(2,092)	(102)
(Increase)/decrease in stocks	(11,060)	990
Increase in debtors	(187,833)	(653,789)
Increase in creditors	239,344	267,198
Capital grants from DfE and other capital income	(66,437)	(72,819)
Defined benefit pension scheme obligation inherited	635,000	1,160,000
Defined benefit pension scheme cost less contributions payable	268,000	127,000
Defined benefit pension scheme finance cost	57,000	49,000
Fixed assets inherited on conversion	(724,575)	(2,583,211)
Cash transferred on conversion to an academy trust	(63,384)	(202,947)
Net cash provided by operating activities	<u>1,020,156</u>	<u>458,774</u>

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23. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	2,409,704	1,429,977
Total	<u>2,409,704</u>	<u>1,429,977</u>

24. Conversion to an academy trust

On 1 March 2018 Hintlesham & Chattisham Church of England Primary School, on 1 May 2018 Morland Church of England Primary School and on 1 July 2018 All Saints Church of England Primary School converted to academy trust 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 table 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.

Hintlesham & Chattisham Church of England Primary School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Budget surplus on LA funds	55,457	-	6,829	62,286
LGPS pension deficit	-	(105,000)	-	(105,000)
Net assets/(liabilities)	<u>55,457</u>	<u>(105,000)</u>	<u>6,829</u>	<u>(42,714)</u>

The above net liabilities include £63,384 that were transferred as cash.

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Morland Church of England Primary School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land	-	-	650,415	650,415
Budget surplus on LA funds	475,893	-	34,349	510,242
LGPS pension deficit	-	(325,000)	-	(325,000)
Net assets/(liabilities)	<u>475,893</u>	<u>(325,000)</u>	<u>684,764</u>	<u>835,657</u>

The above net assets include £505,820 that were transferred as cash.

The leasehold land transferred on conversion is held on a 125 year lease with Suffolk County Council.

All Saints Church of England Primary School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	74,160	74,160
Budget surplus on LA funds	28,238	-	17,537	45,775
LGPS pension deficit	-	(205,000)	-	(205,000)
Total	<u>28,238</u>	<u>(205,000)</u>	<u>91,697</u>	<u>(85,065)</u>

The above net assets include £52,025 that were transferred as cash.

The leasehold land transferred on conversion is held on a 125 year lease with Suffolk County Council.

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25. Pension commitments

The academy'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.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £156,809 were payable to the schemes at 31 August 2018 (2017 - £127,235) 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.

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £617,000 (2017 - £538,000).

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25. Pension commitments (continued)

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 an unfunded 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 year ended 31 August 2018 was £585,000 (2017 - £352,000), of which employer's contributions totalled £485,000 (2017 - £292,000) and employees' contributions totalled £100,000 (2017 - £60,000). The agreed contribution rates for future years are 27.3% for employers and tiered% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.70 %	2.70 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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

	2018	2017
Retiring today		
Males	21.9	21.9
Females	24.4	24.4
Retiring in 20 years		
Males	23.9	23.9
Females	26.4	26.4

Sensitivity analysis	At 31 August 2018 £	At 31 August 2017 £
Discount rate +0.1%	170,000	106,000
Discount rate -0.1%	(170,000)	(106,000)
Mortality assumption - 1 year increase	262,000	177,000
Mortality assumption - 1 year decrease	(262,000)	(177,000)
CPI rate +0.1%	144,000	84,000
CPI rate -0.1%	(144,000)	(84,000)

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25. Pension commitments (continued)

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	<i>Fair value at 31 August 2017 £</i>
Equities	2,592,000	1,661,000
Property	418,000	244,000
Cash and other liquid assets	41,000	24,000
Debt instruments	1,129,000	513,000
	<hr/>	<hr/>
Total market value of assets	4,180,000	2,442,000
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The actual return on scheme assets was £222,000 (2017 - £203,000).

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

	2018 £	<i>2017 £</i>
Current service cost	(753,000)	(419,000)
Interest income	76,000	32,000
Interest cost	(133,000)	(81,000)
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Total	(810,000)	(468,000)
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Movements in the present value of the defined benefit obligation were as follows:

	2018 £	<i>2017 £</i>
Opening defined benefit obligation	4,415,000	2,508,000
Upon conversion	1,654,000	2,126,000
Current service cost	753,000	419,000
Interest cost	133,000	81,000
Employee contributions	100,000	60,000
Actuarial gains	(492,000)	(768,000)
Benefits paid	(25,000)	(11,000)
	<hr/>	<hr/>
Closing defined benefit obligation	6,538,000	4,415,000
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**NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	2,442,000	916,000
Upon conversion	1,019,000	966,000
Interest income	76,000	32,000
Actuarial gains	83,000	187,000
Employer contributions	485,000	292,000
Employee contributions	100,000	60,000
Benefits paid	(25,000)	(11,000)
Closing fair value of scheme assets	<u>4,180,000</u>	<u>2,442,000</u>

The actuarial gain for the period of £575,000 comprises a gain of £492,000 on the defined benefit obligation and £83,000 on scheme assets. The net defined pension scheme liability of £2,358,000 comprises scheme assets of £4,180,000 less the defined benefit obligation of £6,538,000.

26. Operating lease commitments

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	10,085	8,621
Between 1 and 5 years	17,098	13,215
Total	<u>27,183</u>	<u>21,836</u>

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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28. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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 £50,004 (2017 - £50,004) from the Board of Finance and the academy trust purchased goods and services from the Board of Finance of £47,179 (2017 - £24,636) and of its subsidiary company, Churchgates 2000 Limited, of £324 (2017 - £1,594).

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.