

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 2019

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

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ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

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 (resigned 31 December 2018) Mrs C E Robinson, Chair (resigned 24 June 2019) The Reverend R Hinsley Mr A Gourlay Mr T Brooke, Chair Mr S Cole Mr A Blit Mrs S Rees (appointed 23 July 2019)
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 Chartered Accountants 1 Claydon Business Park Great Blakenham Ipswich Suffolk IP6 0NL
Bankers	RBS Drummond House 1 Redheughs Avenue Edinburgh EH12 9JN
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 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust operates 18 primary academies in Suffolk at 31 August 2019: 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, All Saints in Newmarket and St Matthew's in Ipswich. Its academies had a combined roll of 2,897 at 31 August 2019, based on the October 2018 pupil census. One school joined in the course of the year- St Matthew's.

Structure, governance and management

a. 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 purposes of company law.

The charitable company is known as the St Edmundsbury and Ipswich Diocesan Multi- Academy Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

The Trust's members include the St Edmundsbury and Ipswich Academies 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. One new trustee joined the trust in 2018/19.

d. Policies adopted for the induction and training of Trustees

All trustees are experienced in school governance. Their induction and training depends on their experience. New trustees meet with the CEO and are invited to attend an initial meeting as an observer. Trustees hold a strategic away day every July. This provided a strategic overview of the work of the trust for the trustee who was appointed in July.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

e. Organisational structure

Trust Level

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

The Risk Review Group assesses and manages risks and meets termly. 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 met together six times in the year and the School bursars met four times in the year. Chairs and Vice Chairs of Governors also met termly. A budget briefing for schools was held in March 2019.

f. 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.

g. 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 Ven Dr Jenkins is a director of the company and a member of the Umbrella Trust which is a corporate member of the Multi-Academy Trust.

Churchgates 2000 Limited (company registration no. 03954571) is a related party as Ven Dr Jenkins is a director of the company and a member of the Umbrella Trust which is a corporate member of the Multi-Academy Trust.

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

h. Trade union facility time

The Trust paid £7,000 for union facilities for 2018/19. This amounted to 0.0006% of the total pay bill of £10,745,659. The Trust subscribes to a pooled union facilities arrangement for all Suffolk schools. One full time employee spends 15% of their time on trade union duties.

Objectives and activities

a. Objects and aims

The objects of the Trust are to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing academies which shall offer a broad and balanced curriculum. At present all of the schools in the Trust are Church of England schools.

b. Objectives, strategies and activities

The Trust's key objective is to provide the highest possible quality of education, underpinned by our Christian ethos and values.

The Trust continues to seek to raise the aspirations of pupils, especially disadvantaged pupils.

The Trust supports schools to meet the mental health needs of pupils.

Staff wellbeing continues to be a priority for the Trust.

In this reporting period, one more school joined the Trust, which now has 18 church primary schools in Suffolk.

c. Public benefit

The Trust aims to advance for the public benefit education in the Diocese of St Edmundsbury and Ipswich. It operates in a collaborative manner to the mutual benefit of schools, their staff and pupils. The Trust has had due regard to the guidance on public benefit published by the Charity Commission.

Strategic report

a. Achievements and performance

Five MAT schools were inspected during the year and all were judged Good: St Mary's, Woodbridge, St Mary's, Hadleigh, Mellis, Sproughton and Long Melford. Five schools were also judged Good in their SIAMS inspection during the year: Chelmondiston, Mellis, Long Melford, Hartest and Hintlesham & Chattisham.

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

Three new headteachers were appointed during the year.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

(continued)

The Trust has expanded its Continuous Professional Development (CPD) for teachers considerably. Teachers meet to share good practice, for moderation and assessment. Headteachers work in groups of three, visiting each others' schools to review what is working well and to identify improvements which could be made.

All headteachers have termly individual support for their own wellbeing. All schools carried out a workload and wellbeing survey in the summer term, formed a wellbeing working group and drew up an action plan to address workload and wellbeing issues.

The Trust supports schools to meet the mental health needs of pupils with the support of YMCA which delivers training to staff.

In partnership with the Children's University, pupils are encouraged to undertake extra-curricular activities to enhance their learning. Three graduation ceremonies were held in the summer term 2019 to celebrate children who had excelled in extra-curricular learning as part of the Trust's work with the Children's University.

b. Key performance indicators

The Multi Academy Trust continues to review its key performance indicators covering operation and financial activities which includes balancing the budget over the planning period. The Trust recently completed the Schools Resource Management Self-Assessment required by the Education and Skills Funding Agency which includes data to allow benchmarking with similar schools and trusts. The Trust benchmarks its salary costs as a percentage of income and further items are part of an on-going review.

c. Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. The Trust prepared detailed three-year financial plans for reviewing the schools' financial sustainability before approving annual budgets for the year reported and for 2019-20. 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review

a. Summary of Financial Position

During the year the trust received income of **£16,269,334**. This sum includes assets transferred upon academy conversion for St Matthew's Church of England Primary School. **£10,853,947** was received from the Education and Skills Fund 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 **£16,667** was received from the St Edmundsbury and Ipswich Diocese, part of a three-year agreement totalling £150,000. The trust spent **£15,411,930** before transfers.

Revenue

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

Revenue (excluding Pension Fund)	Unrestricted Funds £	Restricted Funds £	Total £
Brought forward from 31 August 2018	1,556,102	570,455	2,126,557
Income	1,122,061	13,147,971	14,270,032
Expenditure	(503,735)	(14,394,833)	(14,898,568)
Net Expenditure before transfers	618,326	(1,246,862)	(628,536)
Transfers	30,749	1,358,049	1,388,798
Net Expenditure after transfers	649,075	111,187	760,262
In year budget position and reserves carried forward to 1 Sept 2019	2,205,177	681,642	2,886,819

The summary of schools' revenue balances may be found towards the end of Note 20 (Statement of Funds page 50)

Capital (Fixed Assets)

The Trust spent **£102,012** across its schools on furniture and equipment and IT hardware and **£4,874** on intangible assets (software). Improvements to church trustee owned buildings amounted to **£1,406,988**, this expenditure was funded by Condition Improvement Fund and Devolved Formula Capital grants.

Reserves

The Trust's reserves are summarised below:

Reserves	Available £	Tangible assets £	Intangible assets £	Total £
Revenue cfwd	2,886,819			2,886,819
Capital balances cfwd	1,269,623	5,227,814	32,033	6,529,470
Total before pension	4,156,442	5,227,814	32,033	9,416,289
Pension Fund Deficit				(4,402,000)
Grand Total				5,014,289

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

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 changes in financial circumstances, such as large unplanned expenditure, cyclical maintenance and working capital requirements. The Trust holds reserves 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..

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 2019 was **£2,205,177**. A large proportion of the increase in free reserves in the year was Local Authority funds transferred to the Trust when St Matthew's joined during the year. These reserves are categorised as unrestricted Funds in the financial statement.

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 support staff to a specific restricted reserve. As at 31 August 2019, the deficit on this reserve amounted to **£4,402,000**. 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 any 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 consideration of budget management. Most purchases are authorised at school level by Headteachers 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 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 breakfast clubs. The Trust also received funding from the Department for Education for academy conversion costs and to support school improvement. Some 92% of the day to day funding received is towards the Trust's educational activities.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

The Trust successfully bid for capital funding for Condition Improvement Fund grant for **£1,938,671** for 10 of its schools covering 15 projects. The Trust received **£1,550,134** for the new projects, with the balance of **£388,537** provided for in debtors, and **£34,295** for completing the previous year's CIF funded projects. The funding is used for investment in roofing, fire safety, windows and heating projects. Due to the buildings being church trustee owned, expenditure on these projects is not recognised as assets in the balance sheet but shows as maintenance within individual schools' revenue budgets with a fund transfer from the grant received.

b. Investment 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

c. 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. Schools are also completing risk reviews at an operational level for consideration by their local governing body.

The main financial risks affecting all academy trusts are:

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

Like many multi academy trusts, risks arise from schools indicating potential deficits in future years. These 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 2019-20. Nationally, all schools are waiting to hear how the teachers' pension contributions increases will be funded beyond August 2020.

The main non-financial risks are about reputation and ability to deliver effective school improvement to the sponsored schools. Those schools inspected by Ofsted during the year were all judged "Good". The Trust continues to be cautious with its due diligence processes when considering which schools may join and continuously reviews whether any Department for Education grants could be applied for to assist with capacity.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Fundraising

The Trust is required to state its approach towards fundraising in line with Section 13 of the Charities (Protection and Social Investment) Act 2016. The Trust is funded mainly by government grants and does not engage in fundraising activities or canvassing for the schools' budgets. Most schools have a Parents' and Teachers' Association or equivalent, which raises local funds for its schools and makes a donation. These activities are usually low key.

Typically, headteachers are members of the PTA committee and ensure that activities are monitored and appropriate. No-one is obliged to contribute towards PTA activities, but parents are encouraged to take part in several 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 any complaints about fundraising.

Plans for future periods

The Trust seeks to consolidate its work further in 2019-20, focussing on school improvement. The Trust will continue to work highly collaboratively, enhancing existing networks for headteachers, governors, bursars and teachers. It will continue to develop the role of School to School Support Teachers to build middle leadership capacity.

Funds held as custodian on behalf of others

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

Employee involvement and employment of the disabled

Employees are consulted on issues of concern to them by means of regular staff meetings and have been kept informed on specific matters directly by management. In accordance with equal opportunities legislation, the academy has fair employment practices in the recruitment, selection and training of disabled staff.


Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 18 December 2019 and signed on its behalf by:


.....
Mr T Brooke
Chair of Trustees


.....
Mrs J Sheat
Accounting Officer

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

As trustees we acknowledge that we have overall responsibility for ensuring that the 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.

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GOVERNANCE STATEMENT (CONTINUED)

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. Caroline Robinson resigned as Chair of the Trust in June 2019 and was succeeded by the Vice Chair, Tom Brooke. Trustees record their thanks to Caroline Robinson for her involvement as a director since the formation of the MAT and latterly as Chair.

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	0	2
Mrs C E Robinson	4	5
The Reverend R Hinsley	5	6
Mr A Gourlay	5	6
Mr T Brooke, Chair	5	6
Mr S Cole	4	6
Mr A Blit	6	6

The board of trustees meet six times a year. Trustees also held a strategic away day on 23 July 2019 to review the past year of operation and to plan for the future. Trustees hold such an event annually and were pleased to welcome one of the Headteachers and Chairs of Governors to the event, as well as a new trustee.

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs F Hotston Moore	1	2
Mr T Brooke	5	6
Mr A Blit	6	6
Mrs J Sheat	6	6

The Standards Committee met three times during the year. The purpose of the Standards Committee is to take a strategic overview of curriculum, quality and standards throughout the Trust and to ensure that the Trust works to raise standards in teaching and learning and pupil achievement. At each meeting, Directors review attainment and progress and this year have also focussed on attendance. Directors also review Ofsted and SIAMS inspections and report on their visits to schools.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr A Blit	3	3
Mr S Cole	2	3
Mr A Gourlay	3	3
Mrs C E Robinson	0	2
Mrs J Sheat	3	3

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Risk Review Working Group met three times during the year. The purpose of the Risk Review Working Group is to ensure that risks are identified and that appropriate controls are in place to mitigate risks. Risks are grouped under the following headings: financial, strategic and reputational, operational and compliance. At each meeting the entire risk register is reviewed and updated. This year the group has provided a template risk register for schools to monitor risks at school level and also a business continuity plan for schools to use.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr T Brook	3	3
Revd R Hinsley	3	3
Mrs J Sheat	3	3

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) for energy contracts in all MAT schools.
- 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)
- using the DfE's Deals for Schools on laptops

As the trust grows, further value for money work may be achieved and reviewed.

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 policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Edmundsbury and Ipswich Diocesan Multi-Academy Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Contador Accountancy Services as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. The internal auditor visited five schools in January 2019 and a further three in July 2019 to review procedures covering income, expenditure and payroll.

On a semi-annual basis, the internal auditor reports to the board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

Review of effectiveness

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

- the work of the internal auditor;
- 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 audit committee and a plan to ensure continuous improvement of the system is in place.

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GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the board of Trustees on 18 December 2019 and signed on their behalf by:



.....
Mr T Brooke
Chair of Trustees



.....
Mrs J Sheat
Accounting Officer

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

As accounting officer of St Edmundsbury and Ipswich Diocesan Multi-Academy Trust I have considered my responsibility to notify the academy 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, under the funding agreement in place between the academy 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 2018.

I confirm that I and the academy board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2018.

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: 18 December 2019

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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 Academies Accounts Direction published 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 2018 to 2019;
- 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 18 December 2019 and signed on its behalf by:



.....
Mr T Brooke
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 2019 which comprise the Statement of financial activities, 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 2018 to 2019 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 2019 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 2018 to 2019 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 (CONTINUED)

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. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. 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 (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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.

MHA Larking Gowen

Christopher Yeates FCA DChA (Senior statutory auditor)

for and on behalf of
Larking Gowen LLP

Chartered Accountants
Statutory Auditors

Ipswich

19 December 2019

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

INDEPENDENT REPORTING ACCOUNTANT'S 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 2018 to 2019, 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 2018 to 31 August 2019 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 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 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2018 to 2019. The work undertaken to draw to our conclusion includes, but is not limited to:

- enquiry of senior management, accounting officer and trustees;
- inspection and review of the accounting records, meeting minutes, internal control procedures; management representations and declarations of interest;
- testing of the financial controls;
- review of certain governance arrangements; and
- review of the results of the trust's process of independent checking of financial controls, systems, transactions and risk.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA Larking Gowen

Larking Gowen LLP

1 Claydon Business Park
Great Blakenham
Ipswich
Suffolk
IP6 0NL

Date: 19 December 2019

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 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants:	3					
Transfer from local authority on conversion		410,508	(263,000)	13,345	160,853	707,878
Other donations and capital grants		105,873	-	2,248,957	2,354,830	573,202
Charitable activities		529,560	13,147,971	-	13,677,531	10,002,773
Other trading activities	5	45,476	-	-	45,476	36,611
Investments	6	8,724	-	-	8,724	2,092
Other income	7	21,920	-	-	21,920	21,698
Total income		1,122,061	12,884,971	2,262,302	16,269,334	11,344,254
Expenditure on:						
Charitable activities	9	503,735	14,777,833	130,362	15,411,930	10,576,704
Total expenditure		503,735	14,777,833	130,362	15,411,930	10,576,704
Net income/(expenditure)		618,326	(1,892,862)	2,131,940	857,404	767,550
Transfers between funds	20	30,749	1,358,049	(1,388,798)	-	-
Net movement in funds before other recognised gains/(losses)		649,075	(534,813)	743,142	857,404	767,550
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(1,398,000)	-	(1,398,000)	575,000
Net movement in funds		649,075	(1,932,813)	743,142	(540,596)	1,342,550

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

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Reconciliation of funds:					
Total funds brought forward	1,556,102	(1,787,545)	5,786,328	5,554,885	4,212,335
Net movement in funds	649,075	(1,932,813)	743,142	(540,596)	1,342,550
Total funds carried forward	<u>2,205,177</u>	<u>(3,720,358)</u>	<u>6,529,470</u>	<u>5,014,289</u>	<u>5,554,885</u>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 27 to 62 form part of these financial statements.

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

BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	15	32,033	65,175
Tangible assets	16	5,227,814	5,218,148
		<u>5,259,847</u>	<u>5,283,323</u>
Current assets			
Stocks	17	13,667	12,593
Debtors	18	1,205,289	1,123,824
Cash at bank and in hand		4,525,248	2,409,704
		<u>5,744,204</u>	<u>3,546,121</u>
Creditors: amounts falling due within one year	19	(1,587,762)	(916,559)
Net current assets		<u>4,156,442</u>	<u>2,629,562</u>
Total assets less current liabilities		<u>9,416,289</u>	<u>7,912,885</u>
Net assets excluding pension liability		<u>9,416,289</u>	<u>7,912,885</u>
Defined benefit pension scheme liability	26	(4,402,000)	(2,358,000)
Total net assets		<u><u>5,014,289</u></u>	<u><u>5,554,885</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	20	6,529,470	5,786,328
Restricted income funds	20	681,642	570,455
		<u>7,211,112</u>	<u>6,356,783</u>
Restricted funds excluding pension asset	20	7,211,112	6,356,783
Pension reserve	20	(4,402,000)	(2,358,000)
Total restricted funds	20	<u>2,809,112</u>	<u>3,998,783</u>
Unrestricted income funds	20	<u>2,205,177</u>	<u>1,556,102</u>
Total funds		<u><u>5,014,289</u></u>	<u><u>5,554,885</u></u>

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

BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

The financial statements on pages 22 to 62 were approved by the Trustees, and authorised for issue on 18 December 2019 and are signed on their behalf, by:



.....
Mr T Brooke
Chair of Trustees



.....
Mrs J Sheat
Accounting Officer

The notes on pages 27 to 62 form part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	22	1,542,507	1,020,156
Cash flows from investing activities	23	573,037	(40,429)
Change in cash and cash equivalents in the year		2,115,544	979,727
Cash and cash equivalents at the beginning of the year		2,409,704	1,429,977
Cash and cash equivalents at the end of the year	24	<u>4,525,248</u>	<u>2,409,704</u>

The notes on pages 27 to 62 form part of these financial statements

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies

St Edmundsbury and Ipswich Diocesan MAT Limited is a company incorporated in England and Wales, registered number 09499496. The registered office is St Nicholas Centre, 4 Cutler Street, Ipswich, IP1 1UQ.

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, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

St Edmundsbury and Ipswich Diocesan Multi-Academy Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in Sterling (£) and rounded to the nearest £.

1.2 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

All incoming resources are recognised when the academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance sheet in the restricted fixed asset fund.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.3 Income (continued)

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Sponsorship income**

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Other income**

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

- **Transfer on conversion**

Where assets and liabilities are received by the academy on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the academy. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 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 institution with whom the funds are deposited.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.6 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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 Intangible assets

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 assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Purchased computer software - 3 years

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.8 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

As described in note 16, the Trust occupies school buildings under license arrangements 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 license arrangement for school buildings in the context of the accounting requirement set out in the Academies Accounts Direction 2018 to 2019 and have determined that the conditions required to conclude the Trust has control over the properties are not met and consequently the buildings are not recognised in the financial statements. The license 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 have to pay to secure the premises can be made. Improvements to buildings occupied under licence are not capitalised but recognised as expenditure.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset, less their estimated residual value, over its expected useful life.

Depreciation is provided on the following bases:

Leasehold land	- 125 years
Furniture and equipment	- 10 - 15 years
Computer equipment	- 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.

1.9 Stocks

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.10 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.

1.11 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.

1.12 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.13 Provisions

Provisions are recognised when the academy has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.15 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

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FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.16 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future personable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.17 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

Investment income, gains and losses are allocated to the appropriate fund.

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2. Critical accounting estimates and areas of judgment

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 2019. 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 1.8, 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.

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3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	105,873	-	-	105,873
Transfer from local authority on conversion	410,508	(263,000)	13,345	160,853
Capital grants	-	-	2,248,957	2,248,957
Total 2019	516,381	(263,000)	2,262,302	2,515,683

Included in unrestricted funds transferred on conversion of £410,508 is an adjustment of £23,544 relating to schools that converted in previous periods. The amount that relates to St Matthews Church of England Primary School is £434,052.

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Donations	169,747	-	-	169,747
Transfer from local authority on conversion	559,588	(635,000)	783,290	707,878
Capital grants	-	-	403,455	403,455
<i>Total 2018</i>	<i>729,335</i>	<i>(635,000)</i>	<i>1,186,745</i>	<i>1,281,080</i>

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**NOTES TO THE FINANCIAL STATEMENTS
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4. Funding for the academy's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
DfE/ESFA grants			
GAG	-	10,788,449	10,788,449
Start Up Grants	-	25,000	25,000
Other DfE/ESFA Grants	-	829,862	829,862
Pupil Premium	-	757,800	757,800
	-	12,401,111	12,401,111
Other government grants			
Other Local Authority Grants	-	746,860	746,860
	-	746,860	746,860
Other funding			
Other income from operations	529,560	-	529,560
	529,560	-	529,560
Total 2019	529,560	13,147,971	13,677,531

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	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
DfE/ESFA grants			
GAG	-	7,908,057	7,908,057
Start Up Grants	-	100,000	100,000
Other DfE/ESFA Grants	-	713,003	713,003
Pupil Premium	-	507,546	507,546
	-	9,228,606	9,228,606
Other government grants			
Other Local Authority Grants	-	394,724	394,724
	-	394,724	394,724
Other funding			
Other income from operations	379,443	-	379,443
	379,443	-	379,443
Total 2018	379,443	9,623,330	10,002,773

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Lettings income	26,403	26,403	21,272
Adult meals income	9,097	9,097	6,663
Uniform income	8,330	8,330	7,622
Other income	1,646	1,646	1,054
	45,476	45,476	36,611

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Bank interest	8,724	8,724	2,092
	<u>8,724</u>	<u>8,724</u>	<u>2,092</u>

7. Other incoming resources

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Insurance income	20,492	20,492	17,650
Feed in tariff	1,428	1,428	4,048
	<u>21,920</u>	<u>21,920</u>	<u>21,698</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Academy's educational operations:				
Direct costs	9,390,049	-	1,129,226	10,519,275
Allocated support costs	1,355,610	2,354,166	1,182,879	4,892,655
Total 2019	10,745,659	2,354,166	2,312,105	15,411,930
	Staff Costs 2018 £	Premises 2018 £	Other 2018 £	Total 2018 £
Academy's educational operations:				
Direct costs	6,966,354	-	878,951	7,845,305
Allocated support costs	1,008,979	768,589	953,831	2,731,399
Total 2018	7,975,333	768,589	1,832,782	10,576,704

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Academy's educational operations	10,519,275	4,892,655	15,411,930

	<i>Activities undertaken directly 2018 £</i>	<i>Support costs 2018 £</i>	<i>Total funds 2018 £</i>
Academy's educational operations	7,845,305	2,731,399	10,576,704

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2019 £	<i>Total funds 2018 £</i>
Wages and salaries	1,356,330	1,008,979
Depreciation	38,555	40,619
Technology costs	161,957	145,933
Premises costs	2,354,166	768,589
Governance costs	56,318	48,186
Other support costs	925,329	719,093
	<u>4,892,655</u>	<u>2,731,399</u>

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	<i>2018 £</i>
Depreciation of tangible fixed assets	92,346	67,360
Amortisation of intangible assets	38,016	41,283
Fees paid to auditors for:		
- audit	13,000	12,500
- other services	4,550	4,100
	<u>155,912</u>	<u>125,243</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	8,048,831	5,950,213
Social security costs	625,858	449,569
Pension costs	1,822,372	1,382,070
	<u>10,497,061</u>	<u>7,781,852</u>
Agency staff costs	238,486	189,428
Staff restructuring costs	10,112	4,053
	<u>10,745,659</u>	<u>7,975,333</u>

Staff restructuring costs comprise:

	2019 £	2018 £
Redundancy payments	10,112	4,053
	<u>10,112</u>	<u>4,053</u>

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

Included in staff restructuring costs are two non-contractual redundancy payments of £6,559 and £3,553.

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	158	122
Admin & Support	326	260
Management	14	13
	<u>498</u>	<u>395</u>

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

d. Higher paid staff

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

	2019 No.	<i>2018 No.</i>
In the band £60,001 - £70,000	<u>5</u>	<u>1</u>

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 £1,074,582 (2018 - £787,400).

12. 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 GAG and Education Services Grant.

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Central services (continued)

The actual amounts charged during the year were as follows:

	2019 £	2018 £
All Saints Church of England Primary School	38,524	6,498
Bramfield Church of England Primary School	20,537	20,384
Brampton Church of England Primary School	17,928	19,448
Chelmondiston Church of England Primary School	23,205	22,491
Eyke Church of England Primary School	22,706	24,007
Hartest Church of England Primary School	18,167	15,573
Hintlesham and Chattisham Church of England Primary School	19,782	10,066
Long Melford Church of England Primary School	30,494	31,134
Mellis Church of England Primary School	31,859	30,989
Morland Church of England Primary School	81,240	27,208
St Mary's Church of England Primary School Hadleigh	34,420	28,786
St Mary's Church of England Primary School Woodbridge	36,152	35,999
Nacton Church of England Primary School	20,286	21,145
Ringsfield Church of England Primary School	19,159	18,315
Stoke by Nayland Church of England Primary School	16,667	17,849
Sproughton Church of England Primary School	20,471	20,544
Tudor Church of England Primary School	45,236	45,113
St Matthew's Church of England Primary School	42,588	-
Total	539,421	395,549

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2018 - £NIL).

During the year ended 31 August 2019, expenses totalling £635 were reimbursed or paid directly to 6 Trustees (2018 - £1,129 to 5 Trustees).

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 £15,204 (2018: £5,316) as part of the agreement with St Edmundsbury and Ipswich Diocesan Board of Finance as a contribution towards her salary cost.

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**NOTES TO THE FINANCIAL STATEMENTS
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14. 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 of 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. The cost of this insurance is included in the total insurance cost.

15. Intangible assets

	Computer Software £
Cost	
At 1 September 2018	141,966
Additions	4,874
	<hr/>
At 31 August 2019	146,840
	<hr/>
Amortisation	
At 1 September 2018	76,791
Charge for the year	38,016
	<hr/>
At 31 August 2019	114,807
	<hr/>
Net book value	
At 31 August 2019	32,033
	<hr/> <hr/>
<i>At 31 August 2018</i>	65,175
	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

16. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2018	5,134,845	152,609	95,786	5,383,240
Additions	-	61,119	40,893	102,012
At 31 August 2019	<u>5,134,845</u>	<u>213,728</u>	<u>136,679</u>	<u>5,485,252</u>
Depreciation				
At 1 September 2018	119,075	14,617	31,400	165,092
Charge for the year	40,675	17,102	34,569	92,346
At 31 August 2019	<u>159,750</u>	<u>31,719</u>	<u>65,969</u>	<u>257,438</u>
Net book value				
At 31 August 2019	<u>4,975,095</u>	<u>182,009</u>	<u>70,710</u>	<u>5,227,814</u>
At 31 August 2018	<u>5,015,770</u>	<u>137,992</u>	<u>64,386</u>	<u>5,218,148</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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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
St Matthew's Church of England Primary School	n/a

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 1.8. Improvements to church trustee owned buildings amounted to £1,406,988. The cost is included in expenditure.

17. Stocks

	2019	2018
	£	£
Finished goods and goods for resale	13,667	12,593

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	8,905	8,046
Other debtors	378,623	651,679
Prepayments and accrued income	817,761	464,099
	<u>1,205,289</u>	<u>1,123,824</u>

19. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	818,714	241,231
Other taxation and social security	154,405	133,565
Other creditors	202,822	164,402
Accruals and deferred income	411,821	377,361
	<u>1,587,762</u>	<u>916,559</u>

	2019 £	2018 £
Deferred income at 1 September 2018	227,063	169,963
Resources deferred during the year	343,178	227,063
Amounts released from previous periods	(227,063)	(169,963)
	<u>343,178</u>	<u>227,063</u>

At the balance sheet date the academy trust was holding funds received in relation to Universal Infant Free School Meals, Early Years funding, Targeted Support funding, other grants where the academy trust does not yet have entitlement to the income and school trips taking place in the 2018/19 school year.

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds - all funds	1,556,102	1,122,061	(503,735)	30,749	-	2,205,177
Restricted general funds						
General Annual Grant (GAG)	13,495	10,788,447	(9,927,595)	(685,815)	-	188,532
Start Up Grants	122,288	25,000	(19,611)	(3,374)	-	124,303
Pupil Premium	8,924	757,800	(741,969)	-	-	24,755
Other Grants	425,748	1,576,724	(3,025,658)	1,367,238	-	344,052
Pension reserve	(2,358,000)	(263,000)	(1,063,000)	680,000	(1,398,000)	(4,402,000)
	<u>(1,787,545)</u>	<u>12,884,971</u>	<u>(14,777,833)</u>	<u>1,358,049</u>	<u>(1,398,000)</u>	<u>(3,720,358)</u>
Restricted fixed asset funds						
Transfer on conversion	5,206,092	52,685	(46,285)	(40,458)	-	5,172,034
DfE Capital Grants	400,329	2,209,617	(13,163)	(1,406,988)	-	1,189,795
Other Capital Income	5,950	-	(2,956)	-	-	2,994
Capital Expenditure from GAG	7,713	-	(746)	5,815	-	12,782
Capital Expenditure from Restricted	137,208	-	(56,585)	43,123	-	123,746
Capital Expenditure from Unrestricted	29,036	-	(10,627)	9,710	-	28,119
	<u>5,786,328</u>	<u>2,262,302</u>	<u>(130,362)</u>	<u>(1,388,798)</u>	<u>-</u>	<u>6,529,470</u>
Total Restricted funds	<u>3,998,783</u>	<u>15,147,273</u>	<u>(14,908,195)</u>	<u>(30,749)</u>	<u>(1,398,000)</u>	<u>2,809,112</u>

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20. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Total funds	5,554,885	16,269,334	(15,411,930)	-	(1,398,000)	5,014,289

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 fixed assets held by the academy and unspent capital funding received to carry out works of a capital nature, including property works.

The transfers represent the purchase of fixed assets from revenue funds and the transfer of expenditure for property works that are expensed, due to school buildings not being recognised as tangible fixed assets (see accounting policy 1.8), to match the corresponding capital grants.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

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

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
All Saints Church of England Primary School	79,978	28,364
Bramfield Church of England Primary School	128,249	138,082
Brampton Church of England Primary School	63,581	75,631
Chelmondiston Church of England Primary School	44,544	25,942
Eyke Church of England Primary School	43,538	22,102
Hartest Church of England Primary School	47,707	18,909
Hintlesham & Chattisham Church of England Primary School	65,384	65,236
Long Melford Church of England Primary School	122,283	103,271
St Mary's Church of England Primary School Hadleigh	(5,781)	(13,933)
St Mary's Church of England Primary School Woodbridge	106,277	71,058
Mellis Church of England Primary School	17,093	16,224
Morland Church of England Primary School	601,643	477,734
Nacton Church of England Primary School	51,730	52,046
Ringsfield Church of England Primary School	70,537	49,217
Stoke-by-Nayland Church of England Primary School	259,416	230,309
Sproughton Church of England Primary School	73,806	47,724
Tudor Church of England Primary School	69,674	102,617
Central MAT	535,408	616,024
St Matthews Church of England Primary School	511,752	-
Total before fixed asset funds and pension reserve	2,886,819	2,126,557
Restricted fixed asset fund	6,529,470	5,786,328
Pension reserve	(4,402,000)	(2,358,000)
Total	5,014,289	5,554,885

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

	Deficit £
St Mary's Church of England Primary School Hadleigh	(5,781)

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

The following action is being taken to return the academy to surplus:

St Mary's Hadleigh improved their financial position ending the year with a reduced deficit of £5,781 compared to a deficit of £13,933 in 2018-19. The school was initially on track to return to a balanced position but incurred unavoidable additional costs. The school's licenced deficit will continue throughout 2019-20 but is expected to return to a surplus position before the end of the financial year, mainly due to increased funding from increased pupil numbers and continued robust financial management.

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
All Saints Church of England Primary School	682,415	78,773	52,841	233,236	1,047,265
Bramfield Church of England Primary School	326,244	49,115	17,383	151,632	544,374
Brampton Church of England Primary School	358,363	44,623	12,842	215,537	631,365
Chelmondiston Church of England Primary School	372,080	58,844	23,286	126,270	580,480
Eyke Church of England Primary School	345,709	48,498	21,176	386,824	802,207
Hartest Church of England Primary School	290,336	32,666	14,603	169,317	506,922
Hintlesham & Chattisham Church of England Primary School	313,533	32,102	11,141	94,123	450,899
Long Melford Church of England Primary School	584,994	103,760	41,631	257,527	987,912
St Mary's Church of England Primary School Hadleigh	614,094	67,765	32,876	171,009	885,744
St Mary's Church of England Primary School Woodbridge	517,131	82,517	40,418	320,824	960,890
Mellis Church of England Primary School	478,523	51,315	31,008	226,974	787,820
Morland Church of England Primary School	1,322,520	181,167	56,803	296,888	1,857,378

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20. Statement of funds (continued)

		Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £
Nacton Church of England Primary School	317,104	31,949	19,931	414,343	783,327
Ringsfield Church of England Primary School	363,463	44,134	12,220	105,447	525,264
Stoke-by-Nayland Church of England Primary School	292,714	23,129	11,984	92,020	419,847
Sproughton Church of England Primary School	321,468	41,853	14,241	291,075	668,637
Tudor Church of England Primary School	771,143	143,117	29,654	352,682	1,296,596
Central MAT	688,793	62,557	19,945	208,726	980,021
St Matthews Church of England Primary School	109,311	177,728	1,997	275,584	564,620
Academy	<u>9,069,938</u>	<u>1,355,612</u>	<u>465,980</u>	<u>4,390,038</u>	<u>15,281,568</u>

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20. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Unrestricted funds						
General Funds - all funds	801,892	1,169,179	(382,129)	(32,840)	-	1,556,102
Restricted general 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>
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

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20. Statement of funds (continued)

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
	4,682,145	1,186,745	(108,638)	26,076	-	5,786,328
Total Restricted funds	3,410,443	10,175,075	(10,194,575)	32,840	575,000	3,998,783
Total funds	4,212,335	11,344,254	(10,576,704)	-	575,000	5,554,885

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	5,227,814	5,227,814
Intangible fixed assets	-	-	32,033	32,033
Current assets	2,241,302	2,232,224	1,270,678	5,744,204
Creditors due within one year	(36,125)	(1,550,582)	(1,055)	(1,587,762)
Provisions for liabilities and charges	-	(4,402,000)	-	(4,402,000)
Total	2,205,177	(3,720,358)	6,529,470	5,014,289

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21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	-	5,218,148	5,218,148
Intangible fixed assets	-	-	65,175	65,175
Current assets	1,604,991	1,438,125	503,005	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)
Total	1,556,102	(1,787,545)	5,786,328	5,554,885

22. Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for the year (as per Statement of financial activities)	857,404	767,550
Adjustments for:		
Amortisation	38,016	41,283
Depreciation	92,346	67,360
Capital grants from DfE and other capital income	(236,651)	(66,437)
Dividends, interest and rents from investments	(8,724)	(2,092)
Defined benefit pension scheme obligation inherited	263,000	635,000
Defined benefit pension scheme cost less contributions payable	310,000	268,000
Defined benefit pension scheme finance cost	73,000	57,000
Increase in stocks	(1,074)	(11,060)
Increase in debtors	(81,465)	(187,833)
Increase in creditors	671,203	239,344
Fixed assets inherited on conversion	(13,345)	(724,575)
Cash transferred on conversion to an academy trust	(421,203)	(63,384)
Net cash provided by operating activities	1,542,507	1,020,156

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23. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	8,724	2,092
Purchase of intangible assets	(4,874)	(29,153)
Purchase of tangible fixed assets	(88,667)	(143,189)
Capital grants from DfE Group	236,651	66,437
Cash transferred on conversion to academy trust	421,203	63,384
Net cash provided by/(used in) investing activities	573,037	(40,429)

24. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	4,525,248	2,409,704
Total cash and cash equivalents	4,525,248	2,409,704

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25. Conversion to an academy trust

On 28 February 2019 St Matthew's 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 heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - 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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Budget surplus on LA funds	434,052	-	13,345	447,397
LGPS pension deficit	-	(263,000)	-	(263,000)
Net assets/(liabilities)	434,052	(263,000)	13,345	184,397

26. Pension commitments

The academy's employees belong to two principal pension schemes: the Teachers' 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 schemes.

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

Contributions amounting to £191,944 were payable to the schemes at 31 August 2019 (2018 - £156,809) and are included within creditors.

Teachers' Pension Scheme

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

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

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26. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The previous actuarial valuation was carried out as at 31 March 2012 and determined the contributions for the period, which were paid at a rate of 16.48%. This rate has been paid since September 2015.

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £759,000 (2018 - £617,000)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

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26. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £821,000 (2018 - £585,000), of which employer's contributions totalled £680,000 (2018 - £485,000) and employees' contributions totalled £ 141,000 (2018 - £100,000). The agreed contribution rates for future years are 27.3 per cent for employers and tiered per cent 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

	2019	2018
	%	%
Rate of increase in salaries	2.6	2.7
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	21.3	21.9
Females	23.5	24.4
<i>Retiring in 20 years</i>		
Males	22.3	23.9
Females	24.9	26.4

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26. Pension commitments (continued)

Sensitivity analysis

	2019 £000	<i>2018</i> <i>£000</i>
Discount rate +0.1%	(267)	<i>(170)</i>
Discount rate -0.1%	267	<i>170</i>
Mortality assumption - 1 year increase	409	<i>262</i>
Mortality assumption - 1 year decrease	(409)	<i>(262)</i>
CPI rate +0.1%	227	<i>144</i>
CPI rate -0.1%	(227)	<i>(144)</i>

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

	At 31 August 2019 £	<i>At 31 August 2018 £</i>
Equities	2,917,000	<i>2,592,000</i>
Debt instruments	1,575,000	<i>1,129,000</i>
Property	1,283,000	<i>418,000</i>
Cash and other liquid assets	58,000	<i>41,000</i>
Total market value of assets	5,833,000	<i>4,180,000</i>

The actual return on scheme assets was £303,000 (2018 - £222,000).

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

	2019 £	<i>2018 £</i>
Current service cost	(949,000)	<i>(753,000)</i>
Past service cost	(41,000)	<i>-</i>
Interest income	136,000	<i>76,000</i>
Interest cost	(209,000)	<i>(133,000)</i>
Total amount recognised in the Statement of financial activities	(1,063,000)	<i>(810,000)</i>

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26. Pension commitments (continued)

Changes in the present value of the defined benefit obligations were as follows:

	2019 £	2018 £
At 1 September	6,538,000	4,415,000
Conversion of academy trusts	856,000	1,654,000
Current service cost	949,000	753,000
Interest cost	209,000	133,000
Employee contributions	141,000	100,000
Actuarial losses/(gains)	1,546,000	(492,000)
Benefits paid	(45,000)	(25,000)
Past service costs	41,000	-
At 31 August	10,235,000	6,538,000

Changes in the fair value of the academy's share of scheme assets were as follows:

	2019 £	2018 £
At 1 September	4,180,000	2,442,000
Conversion of academy trusts	593,000	1,019,000
Interest income	136,000	76,000
Actuarial gains	148,000	83,000
Employer contributions	680,000	485,000
Employee contributions	141,000	100,000
Benefits paid	(45,000)	(25,000)
At 31 August	5,833,000	4,180,000

The actuarial loss for the period of £1,398,000 comprises a loss of £1,546,000 on the defined benefit obligation and a gain of £148,000 on scheme assets. The net defined pension scheme liability of £4,402,000 comprises scheme assets of £5,833,000 less the defined benefit obligation of £10,235,000.

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27. Operating lease commitments

At 31 August 2019 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	8,881	10,085
Later than 1 year and not later than 5 years	9,841	17,098
	<u>18,722</u>	<u>27,183</u>

28. 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.

29. Related party transactions

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

St Edmundsbury and Ipswich Diocesan Board of Finance is a related party due to its powers in relation to the appointment of academy trust members. During the year the academy trust received a donation of £16,668 (2018 - £50,004) from the Board of Finance and the academy trust purchased goods and services from the Board of Finance of £57,171 (2018 - £47,179) and from its subsidiary company, Churchgates 2000 Limited, £26 (2018 - £324).

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.

30. Post balance sheet events

On the 1 November 2019 Wetheringsett Church of England Primary School joined St Edmundsbury and Ipswich Diocesan MAT, this was authorised before the year ended 31 August 2019.

