

Registered number: 09499496



St Edmundsbury and Ipswich

Diocesan Multi Academy Trust

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI-ACADEMY
TRUST

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

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

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members

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

Trustees

Mrs J Sheat
Mrs F Hotston Moore
Mrs C E Robinson
The Venerable Dr D Jenkins
The Reverend R Hinsley
Mr A Gourlay
Mr T Brooke

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

Bankers

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

Solicitors

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

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI- ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates 14 Church of England primary academies in Suffolk at 31 August 2017: 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 and Brampton. Its academies have a combined roll of 1,739 pupils at the last census in October 2016.

Structure, governance and management

Constitution

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

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

The Trustees of St Edmundsbury and Ipswich Diocesan Multi- Academy Trust are also the directors of the charitable company for the purpose of company law.

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

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

Members' liability

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

Method of recruitment and appointment or election of Trustees

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

Policies and procedures adopted for the induction and training of Trustees

All trustees are experienced in school governance. Their induction and training will depend on their experience. New trustees meet with the CEO and Chair of the Board and are invited to attend an initial meeting as an observer.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Organisational structure

Trust Level

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

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

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

School Level

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

Employment and arrangements for setting pay and remuneration of key management personnel

The Board has established a pay policy and approved the salary range for central Trust posts. Incremental progression for central Trust 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 CEO maintains the staff consultation arrangements previously established with the six teaching unions and UNISON (for support staff). The Trust pays for trade union facilities time.

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

Related Parties and other Connected Charities and Organisations

The St Edmundsbury and Ipswich Diocesan Board of Finance (company registration no. 00143034) is a related party as Ven Dr Jenkins and Revd Hinsley are both Directors of the company and 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 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 2017

Objectives and Activities

Objects and aims

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

Objectives, strategies and activities

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

Public benefit

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

Strategic report

Achievements and performance

Key performance indicators

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

School	Pupil nos. as at October 2016 census	Ofsted judgement	Date of last inspection	Date joined the TRUST
Tudor	229	Inadequate	November 13	1 August 15
Sproughton	101	Good	November 14	1 February 16
Hadleigh St Mary's	150	Good	October 15	1 February 16
Woodbridge St Mary's	207	Good	October 13	1 February 16
Nacton	98	Outstanding	April 08	1 July 16
Bramfield	85	Good	May 16	1 August 16
Long Melford	168	Inadequate	June 15	1 September 16
Eyke	120	Good	December 12	1 November 16
Hartest	53	Good	January 13	1 June 17
Mellis	173	Outstanding	November 08	1 June 17
Stoke by Nayland	80	Requires Improvement	February 17	1 June 17
Chelmondiston	109	Good	January 13	1 July 17
Ringsfield	84	Good	June 15	1 July 17
Brampton	82	Good	July 13	1 July 17
Grand total	1,739			

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The Trust has grown significantly in the past year, from six to 14 schools. Long Melford joined the Trust on 1 September 2016, Eyke on 1 November, Mellis, Hartest and Stoke by Nayland on 1 June 2017 and Chelmondiston, Ringsfield and Brampton on 1 July 2017.

Our Head of School Improvement began work on 1 September 2016 and works closely with MAT schools, delivering improvement in attainment and progress, especially in sponsored academies. Our Head of School Improvement leads our school improvement strategy, which has four main strands: accountability, building capacity, strategic development and collaboration. Progress this year has included developing and implementing systems such as a School on a Page, which enables trustees to maintain an overview of attainment, progress, attendance and other key issues. All schools use Target Tracker to track pupil progress. We support schools by regular visits, monitoring and review, headteacher performance management and developing a growing number of networks for staff and governors. These now include separate networks for Headteachers, Chairs and Vice Chairs of Governors, Early Years and Foundation Stage teachers, English and Maths Leads, Special Educational Needs Co-ordinators (SENCOs) and bursars. We have made effective use of external consultants to offer a fresh perspective on our schools. A representative of the Regional Schools Commissioner's office visited our first six schools during the year and was pleased with the progress in our schools. We have adopted a policy on RE and Collective Worship this year to support the Christian ethos which underpins our work with schools.

The Trustees keep under review the support needed for schools and have built capacity this year by appointing a part-time Buildings Officer to deal with buildings and health and safety and a part-time Administrator to deal with governance and the website. The Trust has subscribed to Governor Hub, a website which provides a suite of online tools to support school governors. This includes access to key sources of information, news and useful resources as well as a private discussion space for governing bodies and space to store agendas, minutes and papers for meetings.

Headteachers are at the heart of the Trust and we have developed Challenge Partners to work with other schools to share good practice and help raise standards. All heads work closely with two other schools as well as with the wider group. We purchased Educational Psychology and Behaviour Support this year as a Trust and have also bought Educare as a way to support CPD of staff and evidence safeguarding and a range of other training. We held our second sports day for Year 6 pupils in June 2017. Schools share resources via our website.

We offered three MAT staff the opportunity to work as Acting Headteacher for the school year 2017/18 following the retirement/ promotion of previous headteachers. We pay close attention to wellbeing and encourage headteachers to attend an annual wellbeing day.

Key Performance Indicators

The Multi-Academy Trust is developing a number of key performance indicators covering operational and financial activities. As it grows it will be better able to benchmark those activities including budgets and expenditure against a number of criteria, such as staff costs. Total pupil numbers as at 31 August 2017 are 1739, excluding nursery. These will increase as more schools join the Trust.

Going concern

After making appropriate enquiries and reviewing the schools' medium-term plans, the board of Trustees has a reasonable expectation that the academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Financial review

Summary of Financial Position

These financial statements reflect the first period of operational activity for the Trust. During the year the Trust received income of **£9,140,503**. Of this sum, **£1,986,101** includes assets transferred upon academy conversion. **£6,434,453** was received from the Education and Skills Funding Agency and Department for Education, mainly for the day to day running costs of the schools and academy conversion costs, infrastructure and school improvement. In addition, a donation of **£50,004** was received from the St Edmundsbury and Ipswich Diocese, part of a three- year agreement which will total **£150,000**. The Trust spent **£6,868,469** before transfers.

Revenue

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

Revenue excl pension fund	Unrestricted Funds £	Restricted Funds £	Total £
Brought forward from 31 August 2016	295,020	332,212	627,232
Income	899,055	6,646,956	7,546,011
Expenditure	388,794	6,208,255	6,597,04
Net expenditure before transfers	510,261	438,701	948,962
Transfers	(3,390)	(69,615)	(73,005)
In year budget position and reserves carried forward to 1 Sep 2017	801,891	701,298	1,503,189

The summary of schools' revenue balances may be found towards the end of Note 22. (Statement of funds on page 41)

Capital (Fixed Assets)

The Trust spent **£62,986** across its schools for works, furniture and equipment and IT hardware and **£59,461** on intangible assets (software).

In accordance with Section 8.7 of the Education and Skills Funding Agency Accounts Direction for 2016-17, the Trust has re-stated its fixed assets. This has resulted in the figures for the fixed asset fund to be lower than reported in 2015-16, principally due to no longer recognising property occupied under licence from the church site trustee.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Reserves

The Trust's reserves are summarised below:

Reserves	Available £	Tangible assets £	Intangible assets (software)	Total
Revenue c/fwd	1,503,189	-	-	1,503,189
Capital c/fwd	187,096	4,417,744	77,305	4,682,145
Total before pension	1,690,285	4,417,744	77,305	6,185,334
Pension deficit	n/a	n/a	n/a	(1,973,000)
Grand Total				4,212,334

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

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

Free Reserves

Since the majority of the 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 was **£801,891**. A large proportion of this is for the Local Authority funds transferred to the Trust when schools joined during the year. This will be mainly used towards schools' budgets in 2017-18 and in the medium term. These reserves are categorized as Unrestricted Funds in the financial statements.

Restricted Reserves

These are funds which have a restriction on how they are used, comprised mainly of grant balances for Department for Education grants (school improvement, academy conversion and sponsorship) and General Annual Grant. The total of restricted fund reserves to carry forward is **£701,298** (excluding the local government pension deficit of **£1,973,000**). These grants will be used by the Trust and its schools in the medium term to support budgets and for school improvement plans.

Pension Fund (Local Government Pension Scheme)

Under Accounting Standard FRS 102, it is necessary to charge projected deficits on the Local Government Pension Scheme that is provided for non-teaching staff to a specific restricted reserve. As at 31 August 2017, the deficit on this reserve amounted to **£1,973,000**. The employer's contributions to the pension scheme were initially expected to increase but decreased slightly from 1 April 2017 following an actuarial review. The pension deficit does not present the Trust with a current liquidity problem and it should be noted that the Government has guaranteed to pay any outstanding pension deficit if an academy Trust is closed to maintain parity of contribution rates between local authority maintained and academy status schools.

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TRUSTEES' REPORT (continued)
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Financial risk management objectives and policies

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

Principal funding

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

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

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

investments

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

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Principal risks and uncertainties

A strategic risk register is maintained and reviewed by Trustees regularly. This covers financial, reputational, strategic, operational and compliance risks. Progress against each risk is evaluated and appropriate action is taken as a result. For example, an additional financial post was created and appointed to address the expansion in central financial management tasks as the Trust grew and an appointment will be made in the 2017/18 year.

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

- Loss of Education Services Grant, previously attracting £77 per pupil, from September 2017
- Reduction in Suffolk's per pupil funding of £17 per pupil with effect from April 2017

Like many multi academy trusts, risks arise from schools indicating potential deficits in future years. These risks are being addressed with prudent budget management and using contingencies and balances carried forward in the short and medium term. The trustees approved a financial recovery plan and licenced deficit procedure.

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

Plans for future periods

The Trust seeks to consolidate its work in 2017-18, focussing on school improvement. It appointed a Head of School Improvement from 1 September 2016 whose role is to work closely with Trust schools, delivering improvement in attainment and progress, especially in sponsored academies. The Trust will continue to attract good and outstanding schools which give further capacity to support under performing schools. The Trust will continue to work highly collaboratively, enhancing networks for governors, bursars and teachers.

Funds Held as Custodian Trustee on Behalf of Others

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

Auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 29 November 2017 and signed on its behalf by:



The Venerable Dr D Jenkins
Chair of Trustees



Mrs J Sheat
Accounting Officer

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI- ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs J Sheat	6	6
Mrs F Hotston Moore	4	6
Mrs C E Robinson	4	6
The Venerable Dr D Jenkins	6	6
The Reverend R Hinsley	5	6
Mr A Gourlay	4	6
Mr T Brooke	4	6

There were no changes to the membership of the board of trustees in 2016/17. Trustees began the year by reflecting on issues discussed at their away day in July 2016, which looked at planning for growth. They held their second strategic away day on 26 July 2017 and plan to do so annually. The board used its multi academy trust self- evaluation framework to review each area of activity and the 21 Questions for multi academy trusts produced by the All Party Parliamentary Group on Education Governance and Leadership. The away day generated a number of ideas which are now being implemented. Another away day will be held in July 2018 when the board will again review its effectiveness. In January 2017, the Trustees approved its School Improvement Plan and introduced a systematic way of reviewing information about each school. School improvement systems are now well-established, with regular reviews with headteachers and governors and schools updating data twice a term. Trustees adopted a revised due diligence checklist in November 2016. This has been used since to assess schools seeking to join the Trust. In January 2017, the Board bought Governor Hub, a website which provides a suite of online tools to support school governors. In May Headteachers were trained in School Effectiveness Plus, a comprehensive means of assessing the following key areas of school life: governance, leadership, people management, teaching, learners and business management. All of these measures have proved helpful.

The Board welcomed a Department for Education official to observe its meeting in March 2017.

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GOVERNANCE STATEMENT (continued)

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs F Hotston Moore	7	7
Mr A Gourlay	7	7
The Reverend R Hinsley	4	7
Mr T Brooke	5	7

Review of Value for Money

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

The Accounting Officer considers how the academy'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.
- using a wide range of school improvement partners

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

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been developing throughout the reporting period 1 September 2016 to 31 August 2017.

Capacity to Handle Risk

The board of Trustees has reviewed the key risks to which the academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy Trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. The Risk Review Working Group of Trustees met three times in the year 2016/17. This process is regularly reviewed by the board of Trustees.

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GOVERNANCE STATEMENT (continued)

The Risk and Control Framework

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

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

The Trustees have appointed Miller Wash as internal auditor. The internal auditor's role includes giving advice on financial matters and performing checks on the academy Trust's financial systems. Checks were carried out by the internal auditor on testing of payroll. The external auditor, as part of the external audit process, has tested controls for payroll, purchasing and income that will be considered and addressed if not already, by the Finance and Audit Committee.

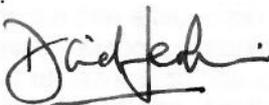
Review of Effectiveness

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

- the work of the external auditors;
- the financial management and governance self-evaluation framework carried out in July 2017
- the work of the executive managers within the academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 29 November 2017 and signed on their behalf, by:



The Venerable Dr D Jenkins
Chair of Trustees



Mrs J Sheat
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of St Edmundsbury and Ipswich Diocesan Multi- Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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: 29 November 2017

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees are also the directors of the charitable company for the purposes of company law are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education and 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 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and 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 29 November 2017 and signed on its behalf by:



The Venerable Dr D Jenkins
Chair of Trustees

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

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

Opinion

We have audited the financial statements of St Edmundsbury and Ipswich Diocesan Multi- Academy Trust for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the 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 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

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

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

Responsibilities of trustees

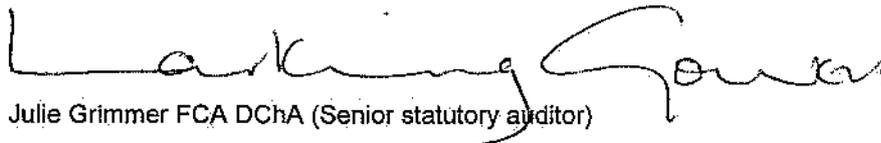
As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal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

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

Auditor's 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 Auditor's 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. The description forms part of our Auditor's report.



Julie Grimmer FCA DChA (Senior statutory auditor)

for and on behalf of

Larking Gowen

Chartered Accountants
Statutory Auditors

1 Claydon Business Park
Great Blakenham
Ipswich
Suffolk
IP6 0NL

Date:

8 December 2017

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

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

In accordance with the terms of our engagement letter dated 11 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St Edmundsbury and Ipswich Diocesan Multi- Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Edmundsbury and Ipswich Diocesan Multi- Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Edmundsbury and Ipswich Diocesan Multi- Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St Edmundsbury and Ipswich Diocesan Multi- Academy Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of St Edmundsbury and Ipswich Diocesan Multi- Academy Trust's funding agreement with the Secretary of State for Education dated 2 July 2015, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2016 to 2017. The work undertaken to draw to our conclusion, includes, but is not limited to:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Larking Gowen

Chartered Accountants
Statutory Auditors

1 Claydon Business Park
Great Blakenham
Ipswich
Suffolk
IP6 0NL

Date: 8 December 2017.

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 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	<i>As restated Total funds 2016 £</i>
Income from:						
Donations and capital grants	3	565,164	(1,160,000)	2,754,492	2,159,656	1,334,357
Charitable activities	4	302,699	6,646,956	-	6,949,655	3,079,149
Other trading activities	5	28,690	-	-	28,690	16,995
Investments	6	102	-	-	102	29
Other income	7	2,400	-	-	2,400	-
Total income		<u>899,055</u>	<u>5,486,956</u>	<u>2,754,492</u>	<u>9,140,503</u>	<u>4,430,530</u>
Expenditure on:						
Charitable activities		<u>388,794</u>	<u>6,384,255</u>	<u>95,420</u>	<u>6,868,469</u>	<u>2,862,230</u>
Total expenditure	8	<u>388,794</u>	<u>6,384,255</u>	<u>95,420</u>	<u>6,868,469</u>	<u>2,862,230</u>
Net income / (expenditure) before transfers						
Transfers between Funds	22	510,261 (3,390)	(897,299) (69,615)	2,659,072 73,005	2,272,034 -	1,568,300 -
Net income / (expenditure) before other recognised gains and losses						
		506,871	(966,914)	2,732,077	2,272,034	1,568,300
Actuarial gains/(losses) on defined benefit pension schemes	27	-	955,000	-	955,000	(583,000)
Net movement in funds		<u>506,871</u>	<u>(11,914)</u>	<u>2,732,077</u>	<u>3,227,034</u>	<u>985,300</u>
Reconciliation of funds:						
Total funds brought forward		295,020	(1,259,788)	11,568,819	10,604,051	-
Prior year adjustment	2	-	-	(9,618,751)	(9,618,751)	-
Total funds carried forward		<u>801,891</u>	<u>(1,271,702)</u>	<u>4,682,145</u>	<u>4,212,334</u>	<u>985,300</u>

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

ST EDMUNDSBURY AND IPSWICH DIOCESAN MULTI- ACADEMY TRUST

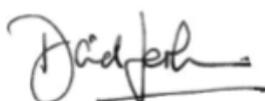
(A company limited by guarantee)
REGISTERED NUMBER: 09499496

**BALANCE SHEET
AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	<i>As restated 2016 £</i>
Fixed assets					
Intangible assets	17		77,305		43,456
Tangible assets	18		4,417,744		1,841,354
			<u>4,495,049</u>		<u>1,884,810</u>
Current assets					
Stocks	19	1,532		2,522	
Debtors	20	935,991		282,203	
Cash at bank and in hand		1,429,977		817,782	
			<u>2,367,500</u>	<u>1,102,507</u>	
Creditors: amounts falling due within one year	21		<u>(677,215)</u>	<u>(410,017)</u>	
Net current assets			<u>1,690,285</u>		<u>692,490</u>
Total assets less current liabilities			<u>6,185,334</u>		<u>2,577,300</u>
Defined benefit pension scheme liability	27		<u>(1,973,000)</u>		<u>(1,592,000)</u>
Net assets including pension scheme liabilities			<u>4,212,334</u>		<u>985,300</u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	22	701,298		332,212	
Restricted fixed asset funds	22	4,682,145		1,950,068	
Restricted income funds excluding pension liability		5,383,443		2,282,280	
Pension reserve		<u>(1,973,000)</u>		<u>(1,592,000)</u>	
Total restricted income funds			3,410,443		690,280
Unrestricted income funds	22		<u>801,891</u>		<u>295,020</u>
Total funds			<u>4,212,334</u>		<u>985,300</u>

The financial statements on pages 20 to 52 were approved by the Trustees, and authorised for issue, on 29 November 2017 and are signed on their behalf, by:

The Venerable Dr D Jenkins
Chair of Trustees



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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	<i>As restated</i> 2016 £
Cash flows from operating activities			
Net cash provided by operating activities	24	<u>458,774</u>	<u>587,964</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		102	29
Purchase of tangible fixed assets		(62,986)	(42,220)
Capital grants from DfE/ESFA		72,819	37,298
Purchase of intangible fixed assets		(59,461)	(53,352)
Cash transferred on conversion to an academy trust		<u>202,947</u>	<u>288,063</u>
Net cash provided by investing activities		<u>153,421</u>	<u>229,818</u>
Change in cash and cash equivalents in the year			
Cash and cash equivalents brought forward		<u>817,782</u>	-
Cash and cash equivalents carried forward	25	<u><u>1,429,977</u></u>	<u><u>817,782</u></u>

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Fund accounting

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting policies (continued)

1.3 Income

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

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

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

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting policies (continued)

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Intangible fixed assets and amortisation

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

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

Purchased computer software - 3 years

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting policies (continued)

1.7 Tangible fixed assets and depreciation

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

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

As described in note 18, the trust occupies school buildings under licence agreements with St Edmundsbury and Ipswich Diocesan Board of Finance, and playing fields under 125 year leases with Suffolk County Council.

The trustees have considered the licence arrangement for the school buildings in the context of the accounting requirement set out in Academies Accounts Direction 2016 to 2017 and have determined that the conditions required to conclude that the trust has control over the properties are not met and consequently the buildings are not recognised in the financial statements. The licence arrangement allows the trust to occupy the buildings free of charge. No income or expenditure is recognised for the rent free occupation because the trustees do not consider that a reliable measure of the amount the trust would otherwise have to pay to secure the premises can be made.

Playing fields occupied under a lease for 125 years are capitalised within tangible fixed assets to reflect the academy trust's right to use these properties over the long term.

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

Long-term leasehold property	-	50 years
Fixtures and fittings	-	10 - 15 years
Computer equipment	-	3 years

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

1.8 Interest receivable

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting policies (continued)

1.9 Operating leases

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

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.11 Debtors

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

1.12 Cash at Bank and in hand

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

1.13 Liabilities and provisions

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

1.14 Taxation

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting policies (continued)

1.15 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 27, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.16 Conversion to an academy

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

The assets and liabilities transferred on conversion from Long Melford Church of England Primary School, Eyke Church of England Primary School, Hartest Church of England Primary School, Mellis Church of England Primary School, Stoke by Nayland Church of England Primary School, Chelmondiston Church of England Primary School, Ringsfield Church of England Primary School, and Brampton Church of England Primary School, to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 26.

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1. Accounting policies (continued)

1.17 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, 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 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

2. Prior year adjustment

The Academies Accounts Direction 2016 to 2017 changed the criteria for determining whether school buildings occupied under licence arrangements should be recognised in the trust's financial statements. The trustees have considered the occupation arrangements under the new requirements and have determined that the revised criteria are not met and consequently the properties should no longer be recognised. The prior period figures have been restated to remove the properties and the accompanying depreciation. The impact on the 2016 Statement of Financial Activity is to reduce income by £9,727,213, expenditure by £108,462 and net movement in funds by £9,618,751. Tangible fixed assets and the restricted fixed asset fund as at 31 August 2016 have reduced by £9,618,751.

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**NOTES TO THE FINANCIAL STATEMENTS
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3. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Transfer from local authority on conversion	468,187	(1,160,000)	2,677,914	1,986,101	1,218,391
Donations	96,977	-	-	96,977	78,668
Capital Grants	-	-	76,578	76,578	37,298
	<u>565,164</u>	<u>(1,160,000)</u>	<u>2,754,492</u>	<u>2,159,656</u>	<u>1,334,357</u>
<i>Total 2016</i>	<u>368,636</u>	<u>(960,000)</u>	<u>1,925,721</u>	<u>1,334,357</u>	

4. Funding for Academy's educational operations

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
GAG	-	5,266,480	5,266,480	2,228,155
Start Up Grants	-	150,000	150,000	200,000
Other DfE/EFA Grants	-	662,246	662,246	297,750
Pupil Premium	-	355,727	355,727	158,878
	<u>-</u>	<u>6,434,453</u>	<u>6,434,453</u>	<u>2,884,783</u>
Other government grants				
Other Local Authority Grants	-	212,503	212,503	85,668
Pupil Premium	-	-	-	30,855
	<u>-</u>	<u>212,503</u>	<u>212,503</u>	<u>116,523</u>
Other funding				
Other income from operations	302,699	-	302,699	77,843
	<u>302,699</u>	<u>-</u>	<u>302,699</u>	<u>77,843</u>
	<u>302,699</u>	<u>6,646,956</u>	<u>6,949,655</u>	<u>3,079,149</u>
<i>Total 2016</i>	<u>76,815</u>	<u>3,002,334</u>	<u>3,079,149</u>	

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5. Other trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Lettings income	17,516	-	17,516	9,146
Adult meals income	4,600	-	4,600	2,013
Uniform income	4,111	-	4,111	4,528
Other income	2,463	-	2,463	1,308
	<u>28,690</u>	<u>-</u>	<u>28,690</u>	<u>16,995</u>
<i>Total 2016</i>	<u>16,995</u>	<u>-</u>	<u>16,995</u>	

6. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Bank interest	102	-	102	29
	<u>102</u>	<u>-</u>	<u>102</u>	<u>29</u>
<i>Total 2016</i>	<u>29</u>	<u>-</u>	<u>29</u>	

7. Other incoming resources

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Insurance income	2,400	-	2,400	-
	<u>2,400</u>	<u>-</u>	<u>2,400</u>	<u>-</u>
<i>Total 2016</i>	<u>-</u>	<u>-</u>	<u>-</u>	

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8. Expenditure

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Academy's educational operations:					
Direct costs	4,576,524	39,014	534,470	5,150,008	2,018,978
Support costs	664,412	423,438	630,611	1,718,461	843,252
	<u>5,240,936</u>	<u>462,452</u>	<u>1,165,081</u>	<u>6,868,469</u>	<u>2,862,230</u>
<i>Total 2016</i>	<u>2,075,506</u>	<u>169,049</u>	<u>617,675</u>	<u>2,862,230</u>	

9. Direct costs

	Educational operations £	Total 2017 £	<i>As restated</i> Total 2016 £
Pension income	49,000	49,000	22,000
Technology costs	68,284	68,284	17,422
Educational supplies	183,563	183,563	77,999
Staff development	49,652	49,652	22,632
Educational consultancy	111,392	111,392	53,408
Other	42,254	42,254	36,708
Wages and salaries	4,449,524	4,449,524	1,754,041
Pension cost	127,000	127,000	7,000
Depreciation	69,339	69,339	27,768
	<u>5,150,008</u>	<u>5,150,008</u>	<u>2,018,978</u>
<i>At 31 August 2016</i>	<u>2,029,030</u>	<u>2,029,030</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Support costs

	Academy's educational operations £	Total 2017 £	<i>As restated Total 2016 £</i>
Technology costs	75,736	75,736	38,909
Premises costs	423,438	423,438	169,049
Governance costs	502,063	502,063	309,346
Staff development	36,231	36,231	14,131
Wages and salaries	654,912	654,912	301,765
Depreciation	26,081	26,081	10,052
	<u>1,718,461</u>	<u>1,718,461</u>	<u>843,252</u>
<i>At 31 August 2016</i>	<u>833,200</u>	<u>833,200</u>	

11. Net income/(expenditure)

This is stated after charging:

	2017 £	<i>As restated 2016 £</i>
Amortisation of intangible fixed assets (software)	25,612	9,896
Depreciation of tangible fixed assets:		
- owned by the charity	95,420	37,820
Auditors' remuneration	10,500	7,600
Auditors' remuneration - non audit	4,475	1,750
	<u>140,007</u>	<u>57,066</u>

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12. Staff costs

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	4,839,251	1,864,143
Operating costs of defined benefit pension schemes	127,000	7,000
	4,966,251	1,871,143
Apprenticeship levy	3,007	-
Supply teacher costs	262,178	191,663
Staff restructuring costs	9,500	12,700
	5,240,936	2,075,506

Staff restructuring costs comprise:

	2017	2016
	£	£
Non-statutory payments	9,500	12,700

Included in staff restructuring costs are non-statutory payments totalling £9,500. Individually, the payments were: £5,000 and £4,500.

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

	2017	2016
	No.	No.
Teachers	77	26
Admin & Support	180	61
Management	9	2
	266	89

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

	2017	2016
	No.	No.
In the band £60,001 - £70,000	2	0

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 £531,922 (2016 - £210,400).

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Wages and salaries breakdown

	2017 £	2016 £
Wages and salaries	3,841,869	1,497,809
Social security costs	294,514	93,883
Pension costs	829,868	279,452
Apprenticeship levy	3,007	-
Total	4,969,258	1,871,144

13. 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)
- School Improvement reviews
- Headteacher performance reviews

The academy charges for these services on the following basis:

5% of General Annual Grant and Education Services Grant.

The actual amounts charged during the year were as follows:

	2017 £	2016 £
Bramfield Church of England Primary School	21,777	1,837
Brampton Church of England Primary School	3,316	-
Chelmondiston Church of England Primary School	3,831	-
Eyke Church of England Primary School	18,722	-
Hartest Church of England Primary School	3,945	-
Long Melford Church of England Primary School	36,825	-
Mellis Church of England Primary School	7,824	-
St Mary's Church of England Primary School Hadleigh	29,268	16,507
St Mary's Church of England Primary School Woodbridge	36,625	21,275
Nacton Church of England Primary School	21,351	3,600
Ringsfield Church of England Primary School	3,125	-
Stoke by Nayland Church of England Primary School	4,514	-
Sproughton Church of England Primary School	21,443	12,620
Tudor Church of England Primary School	51,217	55,586
Total	263,783	111,425

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration (2016 - £NIL).

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year ended 31 August 2017, expenses totalling £1,806 (2016 - £1,872) were reimbursed to 4 Trustees (2016 - 5).

15. Trustees' and Officers' Insurance

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

16. Other finance income

	2017 £	2016 £
Expected return on pension scheme assets	32,000	18,000
Interest on pension scheme liabilities	(81,000)	(40,000)
	(49,000)	(22,000)
	(49,000)	(22,000)

17. Intangible fixed assets

	Computer Software £
Cost	
At 1 September 2016	53,352
Additions	59,461
At 31 August 2017	112,813
Amortisation	
At 1 September 2016	9,896
Charge for the year	25,612
At 31 August 2017	35,508
Carrying amount	
At 31 August 2017	77,305
At 31 August 2016	43,456

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18. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2016 (as previously stated)	11,568,407	32,971	9,249	11,610,627
Prior year adjustment (note 2)	(9,741,349)	-	-	(9,741,349)
At 1 September 2016 (as restated)	1,827,058	32,971	9,249	1,869,278
Additions	2,583,212	35,416	27,570	2,646,198
At 31 August 2017	4,410,270	68,387	36,819	4,515,476
Depreciation				
At 1 September 2016 (as previously stated)	148,640	857	1,026	150,523
Prior year adjustment (note 2)	(122,599)	-	-	(122,599)
At 1 September 2016 (as restated)	26,041	857	1,026	27,924
Charge for the year	56,317	4,414	9,077	69,808
At 31 August 2017	82,358	5,271	10,103	97,732
Net book value				
At 31 August 2017	4,327,912	63,116	26,716	4,417,744
At 31 August 2016 (as restated)	1,801,017	32,114	8,223	1,841,354

Terms of occupation of premises

Academy name	Playing fields
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
Long Melford Church of England Primary School	125 year lease SCC
Mellis 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
Nacton Church of England Primary School	n/a
Ringsfield Church of England Primary School	n/a
Sproughton Church of England Primary School	125 year lease SCC
Stoke by Nayland Church of England Primary School	125 year lease SCC
Tudor Church of England Primary School	125 year lease SCC

SCC = Suffolk County Council

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

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Stocks

	2017 £	2016 £
Stocks	1,532	2,522

20. Debtors

	2017 £	2016 £
Trade debtors	5,173	439
Other debtors	723,383	136,662
Prepayments and accrued income	207,435	145,102
	935,991	282,203

21. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	202,666	88,619
Other taxation and social security	98,979	44,938
Other creditors	130,795	54,318
Accruals and deferred income	244,775	222,142
	677,215	410,017

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	172,277	-
Resources deferred during the year	169,963	172,277
Amounts released from previous years	(172,277)	-
	169,963	172,277

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

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

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

Statement of funds - prior year

	Balance brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
General Funds	-	482,474	(183,996)	(3,458)	-	295,020
	<u>-</u>	<u>482,474</u>	<u>(183,996)</u>	<u>(3,458)</u>	<u>-</u>	<u>295,020</u>

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

Restricted funds

General Annual Grant (GAG)	-	2,228,156	(2,008,212)	(122,979)	-	96,965
Start Up Grants	-	200,000	(65,867)	(45,187)	-	88,946
Pupil Premium	-	189,733	(182,945)	(4,196)	-	2,592
Other Grants	-	384,445	(223,255)	(17,481)	-	143,709
Pension reserve	-	(980,000)	(146,000)	117,000	(583,000)	(1,592,000)
	-	<u>2,022,334</u>	<u>(2,626,279)</u>	<u>(72,843)</u>	<u>(583,000)</u>	<u>(1,259,788)</u>

Restricted fixed asset funds

Transfer on conversion	-	1,888,424	(26,393)	-	-	1,862,031
DfE Capital Grants	-	24,298	-	-	-	24,298
Other Capital Income	-	13,000	(350)	-	-	12,650
Capital Expenditure from GAG	-	-	(691)	5,979	-	5,288
Capital Expenditure from Restricted	-	-	(24,289)	66,864	-	42,575
Capital Expenditure from Unrestricted	-	-	(232)	3,458	-	3,226
	-	<u>1,925,722</u>	<u>(51,955)</u>	<u>76,301</u>	<u>-</u>	<u>1,950,068</u>
Total restricted funds	-	<u>3,948,056</u>	<u>(2,678,234)</u>	<u>3,458</u>	<u>(583,000)</u>	<u>690,280</u>
Total of funds	-	<u>4,430,530</u>	<u>(2,862,230)</u>	<u>-</u>	<u>(583,000)</u>	<u>985,300</u>

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

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

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

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

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

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

Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	<i>Total 2016 £</i>
Bramfield	76,678	57,292
Brampton	108,634	-
Chelmondiston	38,888	-
Eyeke	(7,157)	-
Hartest	55,264	-
Long Melford	78,825	-
Mellis	16,930	-
St Mary's Hadleigh	19,077	25,586
St Mary's Woodbridge	64,071	104,651
Nacton	22,793	27,457
Ringsfield	71,320	-
Stoke-by-Nayland	174,580	-
Sproughton	50,999	69,031
Tudor	127,055	102,306
Central MAT	605,232	240,909
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	1,503,189	627,232
Restricted fixed asset fund	4,682,145	1,950,068
Pension reserve	(1,973,000)	(1,592,000)
	<hr/>	<hr/>
Total	<u>4,212,334</u>	<u>985,300</u>

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

Name of academy	Amount of deficit £
Eyeke Church of England Primary School	(7,157)

Eyeke's budget was forecast to go into deficit during 2016-17 and measures were taken to reduce the deficit to a lower level.

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

A financial recovery plan has been put in place and the budget is now being projected to break even over the next three years.

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

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2017 £	Total 2016 £
Bramfield	325,680	43,854	10,218	106,644	486,396	38,235
Brampton	49,052	7,656	420	8,161	65,289	-
Chelmondiston	53,048	9,813	1,308	11,400	75,569	-
Eyke	328,598	30,653	15,159	101,035	475,445	-
Hartest	49,310	7,737	1,568	21,145	79,760	-
Long Melford	587,020	101,888	17,860	130,060	836,828	-
Mellis	116,377	11,455	12,389	32,396	172,617	-
St Mary's Hadleigh	580,863	59,128	19,632	157,627	817,250	426,019
St Mary's						
Woodbridge	587,707	71,004	36,298	206,012	901,021	498,295
Nacton	361,159	28,886	12,756	128,368	531,169	78,622
Ringsfield	60,212	6,936	240	7,965	75,353	-
Stoke-by-Nayland	83,581	6,674	3,559	17,011	110,825	-
Sproughton	355,704	45,648	14,616	114,728	530,696	285,176
Tudor	801,979	128,634	35,599	224,157	1,190,369	1,206,220
Central MAT	109,234	94,946	1,941	218,347	424,468	291,843
	<u>4,449,524</u>	<u>654,912</u>	<u>183,563</u>	<u>1,485,056</u>	<u>6,773,055</u>	<u>2,824,410</u>

23. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Intangible fixed assets	-	-	77,305	77,305
Tangible fixed assets	-	-	4,417,744	4,417,744
Current assets	824,425	1,358,338	184,737	2,367,500
Creditors due within one year	(17,809)	(657,050)	(2,356)	(677,215)
Provisions for liabilities and charges	-	(1,973,000)	-	(1,973,000)
	<u>801,891</u>	<u>(1,271,702)</u>	<u>4,682,145</u>	<u>4,212,334</u>

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23. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2016	2016	2016	2016
	£	£	£	£
Intangible fixed assets	-	-	43,457	43,457
Tangible fixed assets	-	-	1,841,353	1,841,353
Current assets	306,098	718,167	78,242	1,102,507
Creditors due within one year	(11,077)	(385,955)	(12,985)	(410,017)
Provisions for liabilities and charges	-	(1,592,000)	-	(1,592,000)
	<u>295,021</u>	<u>(1,259,788)</u>	<u>1,950,067</u>	<u>10,604,051</u>

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

	2017	2016
	£	£
Net income for the year (as per Statement of Financial Activities)	2,272,034	1,568,300
Adjustment for:		
Depreciation and amortisation charges	95,420	37,820
Dividends, interest and rents from investments	(102)	(29)
Decrease/(increase) in stocks	990	(2,523)
Increase in debtors	(653,789)	(282,203)
Increase in creditors	267,198	410,017
Capital grants from DfE and other capital income	(72,819)	(37,298)
Defined benefit pension scheme obligation inherited	1,160,000	980,000
Defined benefit pension scheme cost less contributions payable	127,000	7,000
Defined benefit pension scheme finance cost	49,000	22,000
Fixed assets inherited on conversion	(2,583,211)	(1,827,057)
Cash transferred on conversion to an academy trust	(202,947)	(288,063)
Net cash provided by operating activities	458,774	587,964

25. Analysis of cash and cash equivalents

	2017	2016
	£	£
Cash in hand	1,429,977	817,782
Total	1,429,977	817,782

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26. Conversion to an academy

On 1 September 2016 Long Melford Church of England Primary School, on 1 November 2016 Eyke Church of England Primary School, on 1 June 2017 Hartest Church of England Primary School, Mellis Church of England Primary School and Stoke by Nayland Church of England Primary School and on 1 July 2017 Chelmondiston Church of England Primary School, Ringsfield Church of England Primary School and Brampton Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St Edmundsbury and Ipswich Diocesan Multi- Academy Trust from Suffolk County Council for £NIL consideration.

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

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

Long Melford Church of England Primary School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	318,276	318,276
Budget surplus/(deficit) on LA funds	24,015	-	-	24,015
LGPS pension surplus/(deficit)	-	(220,600)	-	(220,600)
Net assets/(liabilities)	24,015	(220,600)	318,276	121,691

The above net assets include £38,291 that were transferred as cash.

Eyke Church of England Primary School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land	-	-	319,329	319,329
Budget surplus on LA funds	34,143	-	-	34,143
LGPS pension (deficit)	-	(126,100)	-	(126,100)
Total	34,143	(126,100)	319,329	227,372

The above assets include £36,755 that were transferred as cash.

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Hartest Church of England Primary School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	483,185	483,185
Budget surplus on LA funds	63,207	-	-	63,207
LGPS pension (deficit)	-	(113,500)	-	(113,500)
Total	63,207	(113,500)	483,185	432,892

The above assets include £70,674 that were transferred as cash.

Mellis Church of England Primary School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	393,547	393,547
Budget surplus on LA funds	16,472	-	-	16,472
LGPS pension (deficit)	-	(157,600)	-	(157,600)
Total	16,472	(157,600)	393,547	252,419

The above assets include £43,603 that were transferred as cash.

Stoke by Nayland Church of England Primary School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	84,898	84,898
Budget surplus on LA funds	204,142	-	-	204,142
LGPS pension (deficit)	-	(163,900)	-	(163,900)
Total	204,142	(163,900)	84,898	125,140

The above assets include £232,143 that were transferred as cash.

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Chelmondiston Church of England Primary School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	720,917	720,917
Budget surplus on LA funds	55,957	-	-	55,957
LGPS pension (deficit)	-	(100,900)	-	(100,900)
Total	55,957	(100,900)	720,917	675,974

The above assets include £64,839 that were transferred as cash.

Ringsfield Church of England Primary School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Budget surplus on LA funds	78,419	-	-	78,419
LGPS pension (deficit)	-	(151,300)	-	(151,300)
Total	78,419	(151,300)	-	(72,881)

The above assets include £86,450 that were transferred as cash.

Brampton Church of England Primary School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	263,060	263,060
Budget surplus on LA funds	102,741	-	-	102,741
LGPS pension (deficit)	-	(126,100)	-	(126,100)
Total	102,741	(126,100)	263,060	239,701

The above assets include £109,990 that were transferred as cash.

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27. Pension commitments

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

As described in note 26 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

Contributions amounting to £127,235 were payable to the schemes at 31 August 2017 (2016 - 52,461) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis — these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;

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27. Pension commitments (continued)

- an employer cost cap of 10.9% of pensionable pay;
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

(<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>).

Scheme Changes

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

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

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

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

The employer's pension costs paid to TPS in the period amounted to £538,000 (2016 - £155,000).

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

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27. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £352,000 (2016 - £142,000), of which employer's contributions totalled £292,000 (2016 - £117,000) and employees' contributions totalled £60,000 (2016 - £25,000). The agreed contribution rates for future years are 27.3% for employers and tiered% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Expected return on scheme assets at 31 August	- %	2.10 %
Rate of increase in salaries	2.70 %	4.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	21.9	22.4
Females	24.4	24.4
Retiring in 20 years		
Males	23.9	24.3
Females	26.4	26.9

Sensitivity analysis	At 31 August 2017	At 31 August 2016
	£	£
Discount rate +0.1%	106,000	74,000
Discount rate -0.1%	(106,000)	(74,000)
Mortality assumption - 1 year increase	177,000	75,000
Mortality assumption - 1 year decrease	(177,000)	(75,000)
CPI rate +0.1%	84,000	41,000
CPI rate -0.1%	(84,000)	(41,000)

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27. Pension commitments (continued)

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

	Fair value at 31 August 2017 £	<i>Fair value at 31 August 2016 £</i>
Equities	1,661,000	631,000
Property	244,000	92,000
Cash and other liquid assets	24,000	9,000
Debt instruments	513,000	183,000
Total market value of assets	<u>2,442,000</u>	<u>915,000</u>

The actual return on scheme assets was £203,000 (2016 - £98,000).

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

	2017 £	<i>2016 £</i>
Current service cost	(419,000)	(124,000)
Interest income	32,000	18,000
Interest cost	(81,000)	(40,000)
Total	<u>(468,000)</u>	<u>(146,000)</u>

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

	2017 £	<i>2016 £</i>
Opening defined benefit obligation	2,508,000	-
Upon conversion	2,126,000	1,656,000
Current service cost	419,000	124,000
Interest cost	81,000	40,000
Employee contributions	60,000	25,000
Actuarial (gains)/losses	(768,000)	663,000
Benefits paid	(11,000)	-
Closing defined benefit obligation	<u>4,415,000</u>	<u>2,508,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

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

	2017	2016
	£	£
Opening fair value of scheme assets	916,000	-
Upon conversion	966,000	676,000
Interest income	32,000	18,000
Actuarial gains	187,000	80,000
Employer contributions	292,000	117,000
Employee contributions	60,000	25,000
Benefits paid	(11,000)	-
	2,442,000	916,000
	2,442,000	916,000

The actuarial gain for the period of £955,000 comprises a gain of £768,000 on the defined benefit obligation and £187,000 on scheme assets. The net defined pension scheme liability of £1,973,000 comprises scheme assets of £2,442,000 less the defined benefit obligation of £4,415,000.

28. Operating lease commitments

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017	2016
	£	£
Amounts payable:		
Within 1 year	8,621	676
Between 1 and 5 years	13,215	2,543
	21,836	3,219
	21,836	3,219

29. Members' liability

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

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NOTES TO THE FINANCIAL STATEMENTS
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30. 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 the trust 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 (Board of Finance) is a related party due to its powers in relation to the appointment of academy trust members. During the year period the academy trust received a donation of £50,004 (2016 - £33,064) from the Board of Finance and the academy trust purchased goods and services from the Board of Finance of £24,636 (2016 - £3,168) and of its subsidiary company, Churchgates 2000 Limited, of £1,594 (2016 - £680).

Certain schools occupy premises that are owned by the Board of Finance. No charge is made for occupation. The terms of occupation are included in note 18.

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