

Diocese of Southwell and Nottingham Multi- Academy Trust

Registered number: 08738949

Trustees report and financial statements

For the year ended 31 August 2017

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1
Trustees' Report	2 - 11
Governance Statement	12 - 15
Statement on Regularity, Propriety and Compliance	16
Statement of Trustees' Responsibilities	17
Independent Auditor's Report on the Financial Statements	18 - 20
Independent Reporting Accountant's Assurance Report on Regularity	21 - 22
Statement of Financial Activities Incorporating Income and Expenditure Account	23
Balance Sheet	24
Statement of Cash Flows	25
Notes to the Financial Statements	26 - 49

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2017

Members

Southwell & Nottingham Diocesan Board of Finance (Corporate)
Bishop of Southwell & Nottingham
Chair of the Board of Southwell & Nottingham Multi Academy Trust
Chair of The Diocese of Southwell & Nottingham Board of Education

Trustees

Roger Periam
Ian Griffiths
Hilary Craik
Philip Blinston
Angela Pae
Claire Meese
Diane Ward
Chris Moodie

Company registered number
08738949

Company name
Diocese of Southwell and Nottingham Multi-Academy Trust

Principal and registered office
Jubilee House, Westgate, Southwell, Nottingham, NG25 0JH

Company secretary
Sarah Perry

Chief executive officer
Chris Moodie

Senior management team

Chris Moodie, CEO
Anna Martin, Principal Magnus C of E Academy (appointed 1 September 2016)
Kerrie Clowes, Headteacher Harworth C of E Academy
Jo Redfern, Executive Headteacher St Mary Magdalene C of E Primary School (appointed 1 September 2016)
Laura Di Martino, Head of School St Mary Magdalene C of E Primary School
David White, Headteacher St John's C of E Academy
Phil Abbott, Headteacher Worksop Priory C of E Primary Academy
Liz Duffell, Headteacher St Peter's Crosskeys C of E Academy
Heather Gabb, Headteacher Burntstump Seely C of E Primary Academy
Jackie Warren, Headteacher The William Gladstone C of E Primary Academy (1 January 2017 – 31 May 2017)
Nadeem Shah, Executive Headteacher The William Gladstone C of E Primary Academy (from 1 June 2017)
Sarah Perry, Business Director

Independent auditor
Mazars LLP, Park View House, 58 The Ropewalk, Nottingham, NG1 5DW

Bankers
Lloyds Bank PLC, 12 - 16 Lower Parliament Street, Nottingham, NG1 3DA

Solicitors
Anthony Collins Solicitors LLP, 134 Edmund Street, Birmingham, B3 2ES

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditors' Report of Diocese of Southwell and Nottingham Multi Academy Trust for the year ended 31 August 2017. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

During the reporting period the Trust operated academies as follows:

- Magnus C of E Academy - an academy for pupils aged 11 - 19 serving a catchment area in Newark, Nottinghamshire with a pupil capacity of 1050 and 640 11 – 16 students plus 59 post 16 students on roll in the school census of October 2016.
- Harworth C of E Academy - an academy for pupils aged 4 – 11 serving a catchment area in Harworth Nottinghamshire with a capacity of 210 and 195 on roll as in the census October 2016.
- St Mary Magdalene C of E Primary School - an academy for pupils aged 4 – 11 serving a catchment area in Sutton-in-Ashfield in Nottinghamshire with a capacity of 210 and 207 on roll as in the census October 2016.
- St John's C of E Academy - an academy for pupils aged 4 – 11 serving a catchment area in Worksop in Nottinghamshire with a capacity of 420 and 409 on roll as in the census October 2016.
- St Peter's Crosskeys C of E Academy – an academy for pupils aged 4 – 11 serving a catchment area around Farndon in Nottinghamshire with a capacity of 210 and 179 on roll as in the census October 2016.
- Burntstump Seely C of E Primary Academy – an academy for pupils aged 4 – 11 serving a catchment area around Arnold in Nottinghamshire with a capacity of 133 and 90 on roll as in the census October 2016.
- Worksop Priory C of E Primary Academy – an academy for pupils aged 4 – 11 serving a catchment area in Worksop in Nottinghamshire with a capacity of 210 and 202 on role in the census of October 2016. This academy also has Early Years Foundation Stage provision.
- The William Gladstone C of E Primary Academy – an academy for pupils aged 4 – 11 serving a catchment area in Newark in Nottinghamshire with a capacity for 345 pupils and 290 on role in the census October 2016. This academy also has Early Years Foundation Stage Provision.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of the Diocese of Southwell and Nottingham Multi Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as the Diocese of Southwell and Nottingham Multi Academy Trust (SNMAT).

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.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)

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

Trustees' indemnities

Indemnity cover to the value of £5,000,000 is provided for each academy through the DfE Risk Protection Arrangement for which a deduction is made on a monthly basis from the General Annual Grant Funding Allocations. This cover applies to all trustees of the trust acting in accordance with the role of professional responsibilities of the Multi Academy Trust in addition to the local governing bodies of the individual academies.

Method of recruitment and appointment or election of Trustees

Potential new trustees are identified by the MAT Board, ensuring that the skills and expertise of new trustees are complimentary to those existing on the Board. Under the Articles of Association the SNMAT Members have the power to appoint trustees - they are not subject to election.

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new trustees depends upon their experience. Where necessary and appropriate the induction process will provide training on charity, education, legal and financial matters. All new trustees are welcome to visit any of the academies and to meet with staff and students. All trustees are provided with access to policies, procedures, minutes, accounts, budget plans and any documents that they may need to undertake their role as trustee. As there are usually no more than one or two new trustees per year, induction tends to be informal and is tailored specifically to the individual trustee.

Organisational structure

The MAT is run by a Board of Directors who have overall legal responsibility for the operation of the MAT and the Academies within it. The Board works in partnership with its academies. Each Academy has its own Local Governing Body. The Governors who serve on the Local Governing Body are appointed by the Board of Directors. They include both parent and staff representatives. The MAT continues to grow with another academy, St. Peter's C of E Primary Academy Mansfield, joining on 1 November 2017 and another having been granted its academy order and proposed to join on 1 February 2018.

Academies joining the MAT are allocated to the appropriate academy category based on their latest Ofsted inspection report and recent performance trends. The MAT operates a Scheme of Delegation which covers finance, human resources, education, asset management and strategy. It provides for certain functions to be carried out by one or more of the following: the Board of Directors, the Chief Executive Officer, the Principal/Headteacher of the Academy and the Local Governing Body of the Academy. The Board of Directors also has a Finance Committee which oversees budget and financial decision making, makes recommendations to the Board and acts as the Audit Committee. A Standards Committee has also more recently been formed to focus on school improvement. The category of allocation is important because the scheme of delegation dictates the constitution of the Local Governing Body and the extent to which responsibilities are delegated by the MAT Board to the Local Governing Body of the academy. During the period under review the MAT served two sponsored academies, one supported academy and five supporting academies.

A significant number of responsibilities under the Scheme of Delegation lie with the Chief Executive Officer (CEO) of the MAT. The CEO delegates some duties to staff appointed by the MAT, staff from the Diocesan education team and appointed consultants.

As the MAT has overall responsibility for the academies within the Trust it exercises a 'tighter rein' over sponsored academies and this is reflected in the Scheme of Delegation. The scheme allows for more responsibility to be passed to supported academies to reflect their higher performance and for supporting academies it is very much a light touch approach.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)

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

Arrangements for setting pay and remuneration of key management personnel

None of the trustees of the multi academy trust receives pay or remuneration with the exception of the Chief Executive Officer. The CEO and Business Director of the academy trust are currently remunerated at spot rates which were set following benchmarking exercises prior to recruitment. The CEO is paid at a level below the top of the STCPD Leadership Group pay range which allows for reasonable differentiation between the role and that of the highest paid Principal/Headteacher. Both posts are remunerated at a level below that often paid to postholders in similar roles in other academy trusts. Mechanisms to review the remuneration of these roles over time are in being put in place. These will need to take into account the changes to the roles as the academy trust increases in size.

Pay ranges for principals/headteachers, deputy headteachers and assistant headteachers are determined in line with STPCD for new appointments, where responsibilities significantly change or if the academy trust chooses to review pay of leadership posts in line with STPCD. The pay ranges take into account all permanent responsibilities of the role, any challenges that are specific to the role and all other relevant considerations including the skills and competencies required. Pay ranges allow appropriate scope for performance related progression over time.

Related parties and other connected charities and organisations

The SNMAT works closely with the Diocese of Southwell and Nottingham as the trust has been set up primarily to serve church schools within the Diocese. The Diocesan Board of Finance initially provided funds related to the set up of the Multi Academy Trust and is a corporate member of the MAT. Maintaining this link is a commitment made by both parties as the MAT grows and develops. The Central Team for the MAT is based at the Diocese of Southwell and Nottingham offices in Southwell and rents facilities there at cost under a service level agreement. Support is also provided for the MAT by the Deputy Diocesan Director of Education and an Administration Assistant for Admissions and Governance.

Objectives and Activities

Objects and aims

The principle object and activity of the charitable company as stated in its Articles of Association is to advance for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

In accordance with the articles of association, the charitable company has entered into relevant funding agreements with the Secretary of State. The funding agreements specify, amongst other things, the basis for admitting students to the academies, the catchment area from which the students are drawn, and that the curriculum should be broad and balanced.

The main objects/aims of the trust during the year ended 31 August 2017 are summarised below:

- To express, both explicitly and implicitly, core Christian values such as responsibility, acceptance, truth and justice throughout our schools and academies and for these to be reflected in all aspects of the curriculum offered.
- To focus on the academic development of pupils with particular reference to Communication, Literacy, Numeracy and IT skills within a curriculum framework that also pays close attention to the personal development of pupils, their leadership and organisational skills, their understanding of citizenship, community involvement and forming a constructive relationship with the world of work.
- To develop pupils' abilities to make informed choices, solve problems and make decisions.
- To encourage a holistic approach to the development of pupils believing that each person is an individual made in the image of God and should therefore be supported to reach their full potential by receiving the very best education possible.
- To ensure that all pupils succeed and thrive in school by raising aspirations and tackling disadvantage.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)

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

- To provide strong support for operational needs to enable headteachers and their staff to focus on teaching and learning.

Objectives, strategies and activities

In its fourth year of operation the MAT welcomed another four primary academies, one of which is a sponsored academy. The main aims of the Trust have been to amalgamate these academies successfully into the Trust, and, in particular, to address the needs of the sponsored academy to embark on its improvement journey. The organisational structure and systems have been constantly under review to maintain flexibility and enable the MAT to continue to grow and support a larger number of academies going forward.

2016-2017 has been the first year in post for the new CEO, Chris Moodie, who was appointed on 4 July 2016. Chris has used this first year to establish a framework for school improvement which includes:

- Termly senior leadership meetings with the Principals/Heads of the academies;
- The Triad system for schools to learn from each other; and
- Structured performance management with half termly KIT meetings.

2016-2017 has also been the first year in post for the new Principal at Magnus, the MAT's only secondary academy. The new Principal has made an impact with improvements in behaviour management and academic achievement which have led to the best examination results for a long time. Post 16 education in particular has been improved with an enhanced curriculum offering 17 subjects at A level. This has resulted in a growth of pupils applying to the sixth form for September 2017 following a period of decline.

The MAT has been instrumental in the development of a collaboration between one of its academies and a Voluntary Aided school, including the appointment of an Executive Headteacher, to the sponsored academy which joined the MAT on 1 January 2017. Revised staffing is now in place following a period of staffing turbulence which puts the academy in a positive position from which to accelerate the pace of improvement during 2017-2018.

Key performance indicators identified by the Trust are used to monitor, evaluate and review the performance of the academies and to quality assure the education they provide to pupils. This will be done in a consistent, open and supportive manner. The Trust will continue to drive standards within its academies through effective school improvement, brokering school to school support and promoting the sharing of best practice. As more schools join the Trust they will be encouraged to learn from one another as well as from schools in the wider diocese. Structures will be developed to support and safeguard pupils, identify barriers to learning and provide appropriate interventions through the use of internal procedures and other external professionals.

The MAT is continuing to develop trust wide policies and protocols to support leaders and managers in academies, to ensure all employees are valued in the same way and that the MAT is a balanced, supportive and fair employer. This will be continued in 2017-2018.

Public benefit

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commissions general guidelines in public benefit.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)

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

Achievements and performance

Key performance indicators

The key performance indicators in schools and academies tend to be set in terms of Teaching and Learning rather than financial performance.

Performance at the Secondary Academy

The outcomes for Magnus C of E Academy improved at both GCSE and post 16. The key attainment measure of GCSE passes (previously 5 A*-C including English and Mathematics) is more difficult to directly compare with previous years due to the changes in GCSE grading. Taking the big picture, attainment on this broad measure has very clearly improved from 41% in 2016 to 51% in 2017. This is a very important step in the right direction for Magnus.

At GCSE:

- English 9 – 4: 62% up 15% on 2016 A* - C
- Maths 9 – 4: 61% up 8% on 2016 A* - C
- Basics 9 – 4: 51% up 10% on 2016 A*-C basics
- Average grade overall up from a D to a C

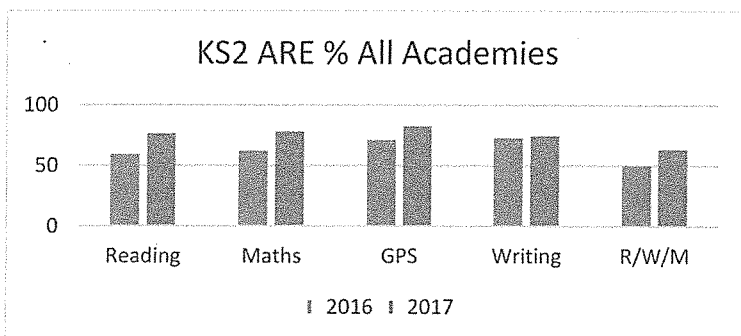
At Post 16:

- The average point score per entry has increased from 19.86 in 2016 to 28.18 in 2017
- The % A* - B has increased from 13% in 2016 to 32% in 2017
- Grade and points for a students' 3 best A Levels has increased from 16.67 in 2016 – 27.14 in 2017

Key Stage 2 (KS2)

Outcomes at the end of KS2 have risen significantly this year. The average proportion of pupils gaining age related expectations (ARE) for reading, writing and mathematics has increased from 49.9% in 2016 to 63.7% in 2017. Overall, Year 6 pupils who achieved ARE for reading, writing and mathematics within SNMAT have moved from being -3.14% below the national average in 2016, to being 2.71% above the national average in 2017. Where the national average has improved by 8% between 2016 and 2017 for this measure, SNMAT has improved by 13.9%.

The poor outcome of one academy impacts the data disproportionately: William Gladstone Academy joined SNMAT in January 2017. A complex picture of inadequate leadership and teaching over time have produced a data set that is exceptionally low, especially for writing. If these outcomes are removed from the overall data set, the picture alters substantially and there is a 20.8% improvement in the combined Y6 measure.

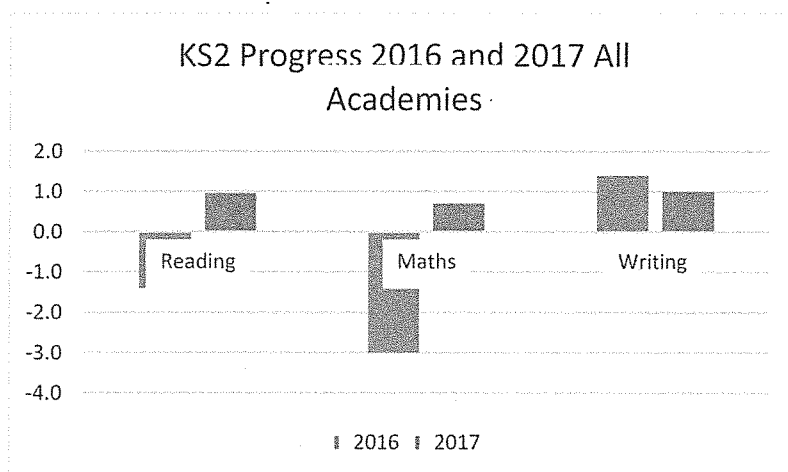


Scaled scores are similarly positive, reflecting the higher number of pupils achieving at a greater depth in several academies.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)

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

Pupils have made more than expected progress overall in 2017. Pupils' outcomes have improved substantially in this measure in the past year. In 2016, pupils made less than expected progress in reading and mathematics, but above in writing. In contrast, pupils made more than expected progress in all three subjects in 2017. The impact of the very poor writing outcomes at William Gladstone once again had a huge impact on the overall figure.



Key Stage 1 (KS1)

Outcomes at the end of Y2 are mixed, with writing keeping pace with the national levels for ARE and Greater Depth but both reading and mathematics being below. Academies are split in this phase, with three performing broadly above average and four being below. The level of disadvantage is high with two of these but is broadly average in the other two. The combined ARE is however, above the national level.

During his first year in post the CEO's key priority with primary academies has been to raise attainment in KS2 in order that pupils' life chances are enhanced as they enter the secondary phase. In addition to this, discussion with headteachers has revealed an increased level of caution with regard to awarding greater depth to a pupil because of the impact on the KS2 progress and a growing understanding of the challenges that the KS2 curriculum presents.

Outcomes of the Phonics Screening Check dipped below last year's national level with only three academies achieving above the national figure for 2016. This is a key priority for SNMAT in the year ahead, and all academies will be involved in the Phonics Roadshow, supported and promoted by an SNMAT headteacher and literacy leader – Jo Redfern (executive HT of two infant schools and Mary Magdalene Primary Academy – all of which secured outcomes which were above the national average).

EYFS

The proportion of children achieving a good level of development (GLD) is in line with the national level in 2016. The SNMAT figure has fallen in 2017 because of two academies reporting low outcomes (very low at Priory, with evidence of strong progress in a cohort with exceptionally low starting points). In all other academies, the GLD measure was in line or above the national figure.

Financial Performance Indicators

Financial Key Performance Indicators measure the teacher cost per pupil, other staff costs per pupil, percentage of the income spent on staffing, other income and expenditure per pupil. Value for money is demonstrated if the level of expenditure per pupil has produced test results which are on target or have exceeded the target. The table below shows the financial KPIs by the central MAT and individual academies.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)

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

Location	School Type	Pupil /Teacher	Teach cost per pupil	Edu supp cost per pupil	Other staff costs per pupil	Staff costs / Total costs	Staff costs / GAG income	Staff costs / Total income	Total Cost per pupil	Total Income per pupil	GAG Income ratio	Non - Teaching / Teaching
CEN	OTHER	0.00	£ -	£ -	£ -	44%	59%	39%	£ -	£ -	65%	71%
FSP	PRIMARY	26.14	£ 2,036	£ 1,171	£ 402	77%	94%	68%	£ 4,669	£ 5,322	72%	20%
HAR	PRIMARY	24.25	£ 2,118	£ 1,022	£ 512	83%	99%	83%	£ 4,422	£ 4,413	84%	24%
JON	PRIMARY	22.22	£ 1,875	£ 707	£ 430	75%	87%	70%	£ 4,008	£ 4,326	80%	23%
MAG	SECONDARY	14.31	£ 2,915	£ 1,072	£ 886	79%	98%	78%	£ 6,839	£ 6,908	80%	30%
PRI	PRIMARY	17.08	£ 2,476	£ 1,683	£ 518	85%	118%	78%	£ 5,495	£ 6,028	66%	21%
SEE	PRIMARY	18.20	£ 2,647	£ 569	£ 578	73%	79%	66%	£ 5,213	£ 5,728	84%	22%
SSM	PRIMARY	25.88	£ 1,894	£ 652	£ 488	71%	84%	71%	£ 4,283	£ 4,249	85%	26%
WMG	PRIMARY	22.07	£ 1,577	£ 649	£ 654	83%	108%	77%	£ 3,472	£ 3,740	71%	41%

It is usually accepted that staff costs should be about 80% of the total income for a school. In some cases however the figures do not include the costs of staff who are not paid through SNMAT. In some cases Executive Headteachers and Sencos, employed by other schools, work partially in SNMAT academies by arrangement and those schools are reimbursed for their time. The staffing profile, especially for small to medium size primary schools, also impacts on the overall staffing costs.

Going concern

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

Financial review

Factors relevant to achieve objectives

Most of the MAT's income is obtained from the Department for Education in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the Department for Education during the year ending 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The MAT also received grants for Devolved Formula Capital for the purchase of fixed assets from the Department for Education. In accordance with the 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) "SORP 2015" such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful economic life of the asset concerned.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)

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

Reserves policy

The Trustees have reviewed the reserves of the Trust. This review encompasses the nature of income and expenditure streams, the need to match them with commitments, the future cost of planned redundancies and the nature of reserves.

Following long running discussions about the treatment of church-owned land on academy balance sheets the DFE has now amended its direction on this matter to reflect the advice given by the Church's Education Office that:

- If a school site is made available to a MAT or a SAT by the site trustees under a 125 year lease, then that leasehold interest amounts to an asset of the Academy Trust and should appear on the balance sheet as such;
- However if the only documentation relating to the school site is the Church Supplemental Agreement – this is no more than a bare permission to occupy and should NOT be treated as a fixed asset in the accounts. It should instead be treated as notional donation for a rolling two year period.

In this MAT only two of the academy premises are leased. The other six are held on Church Supplemental Agreements. The Board of Directors has resolved to follow the advice of the Church Education Office in this matter and the value of the three academies on church supplemental agreements previously held on the balance sheet has now been removed. This has reduced the total of the fixed assets reserves by comparison with previous periods.

The fixed assets reserves total £14,321,177 of which £123,780 is Devolved Formula Capital funding in reserve for future capital projects. The remaining £1,149,920 of restricted and unrestricted reserves is only 7.67% of the income from 2016-2017. This will cover:

- higher staffing costs during the remainder of a three year period of pay protection following staff restructuring at Magnus in 2015-2016;
- the cost of any redundancies that may arise as a result of any future restructure;
- unsustainable staff costs prior to anticipated natural wastage;
- a contribution to a proposed capital expansion project at one of the primary academies;
- growing central MAT staffing to build capacity as the MAT grows.

The Trustees have reviewed the policy on the level of reserves which should be held at the Central MAT level. It was agreed that in 2016-2017 the level of centrally held reserves should be sufficient to cover 4 months of central operating expenses, a £50,000 allowance to enable the central MAT to assist any academy in difficulties and another £50,000 allowance to support MAT growth. It was resolved that an efficiency rebate should be provided to supported and supporting academies of 1% of their income, thereby reducing the recharge to 4% from the surplus exceeding the agreed level of reserves.

The level of reserves will be kept under review by the Trustees.

Investment policy

The MAT does not hold any long term investments. Any cash surpluses remain within the academy's bank accounts to ensure an even cash flow across the year. The Business Director will be in discussion with the bank's Business Relationship Manager regarding opportunities for obtaining a higher level of interest in 2017-2018.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)

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

Principal risks and uncertainties

The Trustees have assessed the major risks to which the academies in the MAT are exposed, in particular those related to the operations and finances, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

The MAT's exposure to financial risks is minimal, due to the fact that the financial instruments dealt with are largely bank balances, cash and trade creditors, with limited trade and other debtors. There is a deficit within the Local Government Pension Scheme, as described in note 22 to the financial statements but this is subject to periodic actuarial review and regulatory monitoring by Trustees.

There are two principle risks and uncertainties relating to the MAT.

The future level of funding of education is uncertain in the current economic climate. This is mainly outside the control of the Trustees, but they engage with the Department for Education when opportunities arise. The Trustees also set prudent budgets and review staffing structures and curriculum models to ensure the Academies within the Trust are reactive to the changing funding levels. The models suggest that the introduction of the National Funding Formula from 2018-2019 will benefit Magnus by 8.1% when fully implemented from 2020-2021.

The finances of the Trust are highly sensitive to the number of students at Magnus C of E Academy. These numbers have been heavily influenced by the increased competition risk from the successful application from Nova Education Trust to open a free school in Newark and its appointment as the new sponsor of The Newark Academy. The Trustees are monitoring the situation and believe that the changes moving forwards following the appointment of the new Principal, the positive HMI visit and increased attainment in 2017 will increase the reputation of the Academy and increase student numbers within. Conversely pupil numbers at the primary academies are healthy.

Plans for future periods

Future developments

Current changes in the educational landscape which are driven by government policy make predicting the future difficult and future plans a challenge. However, the core business of improving teaching and learning will remain a constant and financial and institutional planning will remain firmly in focus for the coming year. There are plans to continue to grow the Multi Academy Trust in 2017-2018. Another primary school will be joining the MAT on 1 November 2017 and another school has already obtained its academy order and is expected to join the MAT on 1 February 2018. There is an increasing number of other schools expressing interest. The ultimate aim is for all academies in the MAT to be well led and for all academies to become organisations that can drive their own continual improvement.

**DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)**

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

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

Auditor

The auditor, Mazars LLP, has indicated its willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

The Trustees' Report was approved by order of the board of trustees, as the company directors, on 12/12/17 and signed on its behalf by:



.....
Philip Blinston
Chair of Trustees

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Diocese of Southwell and Nottingham 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 Diocese of Southwell and Nottingham 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 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
Roger Periam	5	6
Ian Griffiths	6	6
Hilary Craik	6	6
Philip Blinston	5	6
Angela Pae	6	6
Claire Meese	5	6
Diane Ward	2	6
Chris Moodie	6	6

No new Directors have been appointed during the year although someone with suitable skills has been approached who has expressed an interest in becoming a Director in the near future. Work on establishing effective governance arrangements at local board level is ongoing in line with the MAT's scheme of delegation. A framework for termly agendas is now in place. Key link governor roles are defined along with protocols for governor visits.

The finance committee is a sub committee of the main board of trustees. Its purpose is to propose the annual budget, to act as audit committee, to act as pay committee, to review actual performance throughout the year in financial matters, review the effectiveness of financial internal controls through the Internal Auditor's reporting systems, advise the trustees on the appropriateness, or otherwise, of spending requests outside the delegated powers given to them and monitor and keep under review the needs and requirements of the MAT in relation to competitive tendering.

A Standards Committee was formed in addition to the Finance Committee with effect from May 2017 and at that point the membership of the committees was reorganised. As it is possible for people who are not directors to be members of committees of the Board the decision was taken that the Business Director should become a member of the Finance Committee and the Deputy Diocesan Director of Education should become a member of the Standards Committee.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

The Finance Committee met 6 times during the period. Attendance at meetings in the year was as follows:

Committee Member	Meetings attended	Out of a possible
Roger Periam	5	6
Ian Griffiths	6	6
Chris Moodie	6	6
Claire Meese	3	3
Hilary Craik	2	3
Angela Pae	3	3
Sarah Perry	2	2

The Standards Committee met twice during the period. Attendance at meetings was as follows:

Attendance at meetings in the year was as follows:

Committee Member	Meetings attended	Out of a possible
Philip Blinston	2	2
Chris Moodie	2	2
Claire Meese	2	2
Samantha Dennis	2	2

Review of Value for Money

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

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

- ensuring that the level of service provided by suppliers is of a satisfactory standard. For example at one of the primary academies quotations were sought for a new operating lease for a photocopier. The decision was made not to accept the lowest quotation in recognition of the level of service provided by the existing supplier. It is recognised that best value does not just mean lowest cost.
- ensuring that school improvement solutions are appropriate and fit for purpose and, where possible brokered on a reciprocal school to school basis that reduces the cost and provides more effective solutions for the academies as for example with finding a Senco for one of the academies and an Executive Headteacher for another.
- ensuring that the staffing levels at the academies are appropriate in relation to the pupil numbers on roll. The MAT has been closely involved in planning the staffing structure for the academy that joined the MAT on 1 January 2017 to ensure that this is fit for purpose and sustainable in the long term. The revised staffing structure takes into consideration changes to the curriculum and the number of pupils on roll.
- ensuring the some supplies and services are procured centrally giving economies of scale in terms of costs. Examples in 2016-2017 are the reduction of the management fee for the County Council Catering Service for the primary academies and the reduction in the cost of the on-line safeguarding training package.

As other academies join the MAT and it grows in size it will become eligible for greater economies of scale for the purchase of some goods and services.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Diocese of Southwell and Nottingham Multi-Academy Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Mazars LLP, the external auditor, to perform additional checks.

The role of Mazars LLP includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular, the checks carried out in the current period included a focused programme of internal control testing, based on the "Responsible Officer" testing programmes from the 2006 Academies Financial Handbook, at each of the academies in the trust.

Reports of these visits were presented to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Mazars LLP has delivered their schedule of work as planned. A weakness in the systems and controls in respect of not always entering orders on the financial management system at the time of ordering and a few housekeeping recommendations were made in respect of the secondary academy. Every effort is being made to ensure that goods and services are not paid for by non-order invoices and the housekeeping issues have now been addressed. The review of the systems and controls in the primary academies focused on those academies which had recently joined the MAT. Recommendations were made in respect of evidencing cash income, countersigning paperwork and ensuring that 3 quotations are obtained where required within the financial regulations manual. These are being addressed and additional controls put in place. It was recognised that these academies had only recently converted and were still becoming accustomed to the SNMAT processes and procedures.

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 auditor;
- the financial management and governance self-assessment process;
- the work of the Business Director within the academy trust who has responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 12/12/17 and signed on their behalf, by:


.....
Philip Blinston
Chair of Trustees


.....
Chris Moodie
Accounting Officer

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Diocese of Southwell and Nottingham 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.


.....
Chris Moodie
Accounting Officer

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)

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

The Trustees (who act as governors of Diocese of Southwell and Nottingham Multi-Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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 12/12/17 and signed on its behalf by:



.....
Philip Blinston
Chair of Trustees

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

Opinion

We have audited the financial statements of Diocese of Southwell and Nottingham Multi-Academy Trust (the "trust") for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency and United Kingdom Accounting Standards including the Financial Reporting Standard Applicable in the UK and Republic of Ireland ((Charities SORP 2015 (FRS 102)) (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2016 to 2017.

Basis for opinion

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

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 company'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.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter 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' Annual Report including the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 17, the Trustees 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

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



David Hoose (Senior Statutory Auditor)

for and on behalf of

Mazars LLP

Chartered Accountants
Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date:

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GOVERNING BODY OF DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI- ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 6 September 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 Diocese of Southwell and Nottingham 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 Diocese of Southwell and Nottingham 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 Diocese of Southwell and Nottingham 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 Diocese of Southwell and Nottingham Multi-Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Diocese of Southwell and Nottingham Multi-Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Diocese of Southwell and Nottingham Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 29 January 2014, 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 trust's income and expenditure.

A summary of the work we have undertaken is as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out sample testing on controls;
- Carried out substantive testing including analytical review; and
- Concluded on procedures carried out.

**DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
TO THE GOVERNING BODY OF DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-
ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

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.

Mazars LLP

Mazars LLP

Chartered Accountants
Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: *12/12/17*

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	As restated Total funds 2016 £
Income from:						
Donations and capital grants	2	256,402	(2,269,000)	4,498,117	2,485,519	193,921
Charitable activities	3	-	11,792,253	-	11,792,253	7,789,357
Other trading activities	4	606,121	113,226	-	719,347	297,835
Investments	5	1,185	-	-	1,185	1,162
Total income		863,708	9,636,479	4,498,117	14,998,304	8,282,275
Expenditure on:						
Charitable activities	6	218,186	12,533,226	389,051	13,140,463	8,475,515
Total expenditure		218,186	12,533,226	389,051	13,140,463	8,475,515
Net income / (expenditure) before transfers		645,522	(2,896,747)	4,109,066	1,857,841	(193,240)
Transfers between Funds	17	-	(42,463)	42,463	-	-
Net income / (expenditure) before other recognised gains and losses		645,522	(2,939,210)	4,151,529	1,857,841	(193,240)
Actuarial gains/(losses) on defined benefit pension schemes	22	-	197,000	-	197,000	(1,227,000)
Net movement in funds		645,522	(2,742,210)	4,151,529	2,054,841	(1,420,240)
Reconciliation of funds:						
Total funds brought forward		212,364	(2,850,756)	16,006,563	13,368,171	8,951,496
Prior year adjustment		-	-	(5,836,915)	(5,836,915)	-
Total funds carried forward		857,886	(5,592,966)	14,321,177	9,586,097	7,531,256

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

Registered number: 08738949

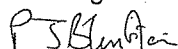
(A Company Limited by Guarantee)

BALANCE SHEET

AS AT 31 AUGUST 2017

	Note	£	2017 £	£	As restated 2016 £
Fixed assets					
Tangible assets	13		14,199,347		10,050,235
Current assets					
Stocks	14	12,373		1,512	
Debtors	15	258,955		179,894	
Cash at bank and in hand	20	<u>1,966,453</u>		<u>1,327,824</u>	
		2,237,781		1,509,230	
Creditors: amounts falling due within one year	16	<u>(966,031)</u>		<u>(837,209)</u>	
Net current assets			<u>1,271,750</u>		<u>672,021</u>
Total assets less current liabilities			15,471,097		10,722,256
Defined benefit pension scheme liability	22		<u>(5,885,000)</u>		<u>(3,191,000)</u>
Net assets including pension scheme liabilities			<u>9,586,097</u>		<u>7,531,256</u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	17	292,034		340,244	
Restricted fixed asset funds	17	<u>14,321,177</u>		<u>10,169,648</u>	
Restricted income funds excluding pension liability		14,613,211		10,509,892	
Pension reserve	22	<u>(5,885,000)</u>		<u>(3,191,000)</u>	
Total restricted income funds			8,728,211		7,318,892
Unrestricted income funds	17		<u>857,886</u>		<u>212,364</u>
Total funds			<u>9,586,097</u>		<u>7,531,256</u>

The financial statements on pages 23 to 49 were approved by the Trustees, and authorised for issue, on 12/12/17 and are signed on their behalf, by:



Philip Blinston
Chair of Trustees

**DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	19	486,039	311,108
Cash flows from investing activities:			
Interest received	5	1,185	1,162
Purchase of tangible fixed assets	13	(114,163)	(93,529)
Capital grants from DfE/ESFA		74,117	38,871
Cash transferred on conversion to an academy trust		191,451	154,157
Net cash provided by investing activities		152,590	100,661
Change in cash and cash equivalents in the year		638,629	411,769
Cash and cash equivalents brought forward		1,327,824	916,055
Cash and cash equivalents carried forward	20	1,966,453	1,327,824

DIOCESE OF SOUTHWELL AND NOTTINGHAM 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), judgements 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.

Diocese of Southwell and Nottingham Multi-Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy 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.

DIOCESE OF SOUTHWELL AND NOTTINGHAM 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 incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. In the Trust's funding agreement there is no limit to the amount of GAG carry forward at the end of the period.

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

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

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

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

1.4 Expenditure

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

Charitable Activities

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

All expenditure is inclusive of irrecoverable VAT.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)

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

1. Accounting Policies (continued)

1.5 Tangible fixed assets and depreciation

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

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

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

Leasehold buildings	-	over 50 years
Multi use games area	-	over 8 years, being residual life on conversion
Motor vehicles	-	over 5 years
Fixtures, fittings and equipment	-	over 5 years
Longer life fixtures and fittings	-	over 10 years
ICT equipment	-	over 3 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

1.6 Liabilities and provisions

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

1.7 Provisions

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)

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

1. Accounting Policies (continued)

1.8 Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

1.9 Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 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 22, 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.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

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

1. Accounting Policies (continued)

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 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.

1.12 Fund accounting

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

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

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

1.13 Conversion to an academy

The conversion from a state maintained school to an academy trust involved 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 the predecessor 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 and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

The valuation of land and buildings donated on conversion is on a provisional basis, as final valuations are not yet available at the time of preparing these financial statements. Valuation updates will be included, if appropriate, in 2018.

Further details of the transactions are set out in Note 26.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting Policies (continued)

1.14 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 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 22, 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

The Trustees consider that there are no critical areas of judgement with the exception of the pension valuation noted above.

2. 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	191,451	(2,269,000)	-	(2,077,549)	(137,843)
Capital grants	-	-	74,117	74,117	38,871
Donated fixed assets	-	-	4,424,000	4,424,000	245,648
Other donations	64,951	-	-	64,951	47,245
	<u>256,402</u>	<u>(2,269,000)</u>	<u>4,498,117</u>	<u>2,485,519</u>	<u>193,921</u>
<i>Total 2016</i>	<u>201,402</u>	<u>(292,000)</u>	<u>284,519</u>	<u>193,921</u>	

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

3. Funding for Academy Trust's educational operations

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	9,903,044	9,903,044	6,837,813
Start Up Grant	-	63,939	63,939	79,667
Other DfE/ESFA grants	-	1,221,445	1,221,445	584,893
	-	11,188,428	11,188,428	7,502,373
Other government grants				
Local authority grants	-	603,825	603,825	286,984
	-	603,825	603,825	286,984
	-	11,792,253	11,792,253	7,789,357
<i>Total 2016</i>	-	7,789,357	7,789,357	

4. Other trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of facilities	88,893	-	88,893	87,337
Sale of goods	17,611	-	17,611	13,870
Catering income	280,336	-	280,336	68,518
Academy trips	-	113,226	113,226	64,186
Other income	219,281	-	219,281	63,924
	606,121	113,226	719,347	297,835
<i>Total 2016</i>	233,649	64,186	297,835	

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

5. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	1,185	-	1,185	1,162
<i>Total 2016</i>	1,162	-	1,162	

6. Expenditure

	Staff costs £	Premises £	Other costs £	Total 2017 £	Total 2016 £
Academy's educational operations					
- Direct costs	8,491,556	-	1,092,707	9,584,263	5,827,283
- Allocated support costs	1,206,594	1,041,410	1,308,196	3,556,200	2,648,232
	9,698,150	1,041,410	2,400,903	13,140,463	8,475,515

7. Charitable activities

	Total 2017 £	Total 2016 £
Direct costs - educational operations	9,584,263	5,827,283
Support costs - educational operations	3,556,200	2,648,232
Total	13,140,463	8,475,515

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

Analysis of support costs

	Total 2017 £	Total 2016 £
Support staff costs	1,206,594	1,357,104
Depreciation	389,051	142,261
Premises costs	652,359	405,827
Other support costs	1,128,002	538,138
Governance costs	180,194	204,902
Total	3,556,200	2,648,232

In 2016, of the total expenditure, £260,470 was to unrestricted funds and £8,215,045 was to restricted funds.

8. Net income/(expenditure) for the period includes:

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	389,051	354,882
Auditor's remuneration - audit	21,200	19,000
Auditor's remuneration - other services	12,430	6,375
Operating lease rentals	47,177	15,859

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

9. Staff costs

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	7,278,550	4,929,764
Social security costs	669,603	399,583
Operating costs of defined benefit pension schemes	1,749,997	922,358
	<u>9,698,150</u>	<u>6,251,705</u>
Agency supply costs	306,491	154,502
Staff restructuring costs	50,553	-
	<u>10,055,194</u>	<u>6,406,207</u>

Staff restructuring costs comprise:

	2017 £	2016 £
Redundancy payments	20,921	-
Severance payments	29,632	-
	<u>50,553</u>	<u>-</u>

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

	2017 No.	2016 No.
Teachers	118	65
Administration and support	225	87
Management	22	18
	<u>365</u>	<u>170</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	2	0
In the band £90,001 - £100,000	1	1
In the band £100,001 - £200,000	0	1

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their service to the academy trust was £722,608 (2016: £380,728).

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)

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

10. Central services

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

- human resources;
- financial services;
- legal services;
- educational support services;
- health and safety;
- facilities management support; and
- contributions to the TU facilities fund.

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

Historically Magnus was paying 3.5% as some of the central functions were being covered internally. This is changing from 1 September 2017 with the relocation of two of the former Magnus staff to the central office. Over the next two years the level of recharge for Magnus will be brought into line with the other academies in the MAT in stages. The other academies in the MAT contribute 5% of the GAG income not including Pupil Premium. However, the Board of Directors has introduced an efficiency rebate for supported and supporting academies. The Central MAT will refund an agreed percentage of the recharge depending on the level of reserves held by the centre are over and above the agreed central reserves policy. The central reserves policy is that there should be sufficient to cover at least 4 months operating expenses plus £50,000 for MAT growth plus £50,000 to be able to support an academy in difficulty and some leeway to even out peaks and troughs between years. In 2016-2017 it was agreed that the efficiency rebate would be 1% for supported and supporting academies. The level of rebate will be reviewed each year.

The actual amounts charged during the year were as follows:

	2017	2016
	£	£
Magnus Church of England Academy	129,919	143,076
Harworth Church of England Academy	29,938	37,200
St. Mary Magdalene Church of England Academy	31,223	39,018
St. John's Church of England Academy	58,025	53,915
St Peter's Crosskeys Church of England Academy	29,163	-
Worksop Priory Church of England Academy	33,109	-
Burntstump Seely Church of England Academy	17,977	-
The William Gladstone Church of England Academy	43,568	-
	<u>372,922</u>	<u>273,209</u>

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)

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

11. Related Party Transactions - Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2017	2016
		£'000	£'000
C Moodie	Remuneration	95-100	15-20
	Pension contributions paid	15-20	0-5

During the year, travel and subsistence expenses totalling £3,769 and gift expenses of £Nil were reimbursed to 1 Trustee (2016: 1 trustee £622 and £166 respectively).

12. Trustees' and Officers' Insurance

The Multi Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £5,000,000. It is not possible to quantify the Trustees' and Officers' indemnity element from the overall cost of the RPA scheme.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

13. Tangible fixed assets

	Leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2016 (as previously stated)	16,081,752	26,215	426,802	367,710	16,902,479
Prior year adjustment	(5,991,000)	-	-	-	(5,991,000)
At 1 September 2016 (as restated)	10,090,752	26,215	426,802	367,710	10,911,479
Additions	32,937	-	37,987	43,239	114,163
Provisional value of assets donated on conversion	4,424,000	-	-	-	4,424,000
At 31 August 2017	14,547,689	26,215	464,789	410,949	15,449,642
Depreciation					
At 1 September 2016 (as previously stated)	580,089	6,554	177,812	250,874	1,015,329
Prior year adjustment	(154,085)	-	-	-	(154,085)
At 1 September 2016 (as restated)	426,004	6,554	177,812	250,874	861,244
Charge for the year	218,773	5,243	79,690	85,345	389,051
At 31 August 2017	644,777	11,797	257,502	336,219	1,250,295
Net book value					
At 31 August 2017	13,902,912	14,418	207,287	74,730	14,199,347
At 31 August 2016 (as restated)	9,664,748	19,661	248,990	116,836	10,050,235

Included within land and buildings is leasehold land at valuation of £2,386,962 (2016 - £1,760,962).

14. Stocks

	2017 £	2016 £
Finished goods and goods for resale	12,373	1,512

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

15. Debtors

	2017 £	2016 £
Trade debtors	2,689	5,302
VAT recoverable	19,276	10,855
Other debtors	159,235	35,539
Prepayments and accrued income	77,755	128,198
	<u>258,955</u>	<u>179,894</u>

16. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	71,492	110,780
Other taxation and social security	175,516	123,763
Other creditors	280,991	189,416
Accruals and deferred income	438,032	413,250
	<u>966,031</u>	<u>837,209</u>

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	382,496	154,664
Resources deferred during the year	434,785	382,496
Amounts released from previous years	(382,496)	(154,664)
Deferred income at 31 August 2017	<u>434,785</u>	<u>382,496</u>

At the balance sheet date the academy trust was holding funds received in advance as follows:

- £17,323 received in advance of school trips
- £12,000 primary chain grant
- £20,772 rates relief funding
- £130,138 universal free school meals
- £29,715 conversion grants
- £91,570 sponsor grant received
- £74,406 SEN funding
- £7,259 school leadership grant
- £35,917 regional growth fund
- £10,000 bursary
- £5,685 other donations

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

17. Statement of funds

	Balance at 1 September 2016 As restated £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General funds	212,364	863,708	(218,186)	-	-	857,886
Restricted funds						
General Annual Grant (GAG)	340,244	9,903,044	(9,908,791)	(42,463)	-	292,034
Start up grant	-	63,939	(63,939)	-	-	-
Pupil Premium	-	758,225	(758,225)	-	-	-
Other restricted income	-	1,180,271	(1,180,271)	-	-	-
Pension reserve	(3,191,000)	(2,269,000)	(622,000)	-	197,000	(5,885,000)
	(2,850,756)	9,636,479	(12,533,226)	(42,463)	197,000	(5,592,966)
Restricted fixed asset funds						
Devolved Formula Capital	153,146	74,117	(5,831)	-	-	221,432
Donations	9,647,266	4,424,000	(361,029)	63,354	-	13,773,591
Other DfE Capital Grant	369,236	-	(22,191)	(20,891)	-	326,154
	10,169,648	4,498,117	(389,051)	42,463	-	14,321,177
Total restricted funds	7,318,892	14,134,596	(12,922,277)	-	197,000	8,728,211
Total of funds	7,531,256	14,998,304	(13,140,463)	-	197,000	9,586,097

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

- Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Governors;
- Restricted funds (excluding pension and other restricted reserves) represent funds received from the Department for Education and is specifically spent on the running of the academy;
- Pension reserve represents the movements on the Local Government Pension Scheme liability;
- Other restricted reserve represents funds which are restricted by the donor including school trip income;
- Restricted fixed asset funds represent resources which are applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

17. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Magnus Church of England Academy	217,717	167,082
Harworth Church of England Academy	34,945	36,687
St. Mary Magdalene Church of England Academy	44,871	51,996
St. John's Church of England Academy	228,136	104,193
St Peter's Crosskeys Church of England Academy	118,828	-
Worksop Priory Church of England Academy	109,350	-
Burntstump Seely Church of England Academy	46,908	-
The William Gladstone Church of England Academy	82,693	-
Central	266,472	192,650
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	1,149,920	552,608
Restricted fixed asset fund	14,321,177	10,169,648
Pension reserve	(5,885,000)	(3,191,000)
	<hr/>	<hr/>
Total	9,586,097	7,531,256
	<hr/> <hr/>	<hr/> <hr/>

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

17. 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 dep'n £	Total 2017 £	Total 2016 £
Magnus C of E Academy	3,151,748	514,965	501,919	620,305	4,788,937	4,699,598
Harworth C of E Academy	609,278	77,035	49,325	122,283	857,921	845,401
St. Mary Magdalene C of E Academy	527,033	84,632	96,846	171,238	879,749	896,170
St. John's C of E Academy	1,032,978	140,378	137,852	284,342	1,595,550	1,227,393
St Peter's Crosskeys C of E Academy	586,987	73,511	46,559	141,802	848,859	-
Worksop Priory C of E Academy	852,452	96,735	45,102	130,254	1,124,543	-
Burntstump Seely C of E Academy	292,599	40,719	41,137	100,959	475,414	-
The William Gladstone C of E Academy	687,735	93,984	106,239	183,690	1,071,648	-
Central	129,158	91,396	14,468	251,769	486,791	288,443
	<u>7,869,968</u>	<u>1,213,355</u>	<u>1,039,447</u>	<u>2,006,642</u>	<u>12,129,412</u>	<u>7,957,005</u>

18. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	14,199,347	14,199,347
Current assets	857,886	1,258,065	121,830	2,237,781
Current liabilities	-	(966,031)	-	(966,031)
Pension scheme liability	-	(5,885,000)	-	(5,885,000)
	<u>857,886</u>	<u>(5,592,966)</u>	<u>14,321,177</u>	<u>9,586,097</u>

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

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

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	1,857,841	(193,240)
Adjustment for:		
Depreciation (note 13)	389,051	354,883
Interest received	(1,185)	(1,162)
Increase in stocks	(10,861)	(1,512)
Increase in debtors	(79,060)	(42,780)
Increase in creditors	128,821	178,595
Capital grants from DfE and other capital income	(74,117)	(38,871)
FRS 102 pension obligation inherited	2,269,000	292,000
FRS 102 pension costs	622,000	163,000
Surplus on conversion	(191,451)	(154,157)
Donated assets	(4,424,000)	(245,648)
Net cash provided by operating activities	<u>486,039</u>	<u>311,108</u>

20. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	1,966,453	1,327,824
Total	<u>1,966,453</u>	<u>1,327,824</u>

21. 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 £NIL for the debts and liabilities contracted before he/she ceases to be a member.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)

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

22. Pension commitments

The academy trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Barnett Waddingham. Both are Multi-Employer Defined Benefit Pension Schemes.

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

Contributions amounting to £147,355 were payable to the schemes at 31 August 2017 (2016 - £100,036) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £733,000 (2016 - £605,000).

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

22. Pension commitments (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £524,000 (2016 - £338,000), of which employer's contributions totalled £395,000 (2016 - £255,000) and employees' contributions totalled £129,000 (2016 - £83,000). The agreed contribution rates for future years are 18.3% for employers and up to 12.5% 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	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %
Inflation assumption (CPI)	2.70 %	2.30 %

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	22.6	22.1
Females	25.5	25.3
Retiring in 20 years		
Males	24.8	24.4
Females	27.9	27.7

Sensitivity analysis	At 31 August 2017	At 31 August 2016
	£	£
Discount rate +0.1%	(297,000)	(118,000)
Discount rate -0.1%	305,000	187,000
Mortality assumption - 1 year increase	344,000	181,000
Mortality assumption - 1 year decrease	(332,000)	(111,000)
CPI rate +0.1%	260,000	161,000
CPI rate -0.1%	(253,000)	(90,000)

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

22. Pension commitments (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	3,044,000	1,682,000
Debt instruments	554,000	167,000
Property	538,000	294,000
Gilts	145,000	92,000
Others incl. cash	321,000	208,000
	<u>4,602,000</u>	<u>2,443,000</u>

The actual return on scheme assets was £549,000 (2016 - £281,000).

Amounts recognised in the Statement of Financial Activities

	2017 £	2016 £
Current service cost (net of employer contributions)	(903,000)	(356,000)
Interest income	88,000	78,000
Interest cost	(202,000)	(140,000)
Admin expenses	-	-
	<u>(1,017,000)</u>	<u>(418,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	5,634,000	3,117,000
Upon conversion	3,674,000	543,000
Current service cost	903,000	356,000
Interest cost	202,000	140,000
Employee contributions	129,000	83,000
Actuarial (gains)/losses	(16,000)	1,430,000
Benefits paid	(38,000)	(35,000)
	<u>10,488,000</u>	<u>5,634,000</u>

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

22. Pension commitments (continued)

Changes in fair value of academy's share of scheme assets:

	2017 £	2016 £
Opening fair value of scheme assets	2,443,000	1,608,000
Upon conversion	1,405,000	251,000
Interest income	88,000	78,000
Actuarial losses	181,000	203,000
Employer contributions	395,000	255,000
Employee contributions	129,000	83,000
Benefits paid	(38,000)	(35,000)
	<u>4,603,000</u>	<u>2,443,000</u>

23. 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	48,643	17,230
Between 1 and 5 years	94,071	33,093
	<u>142,714</u>	<u>50,323</u>

24. Related party transactions

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

The staff trustee only receives remuneration in respect of services they provide undertaking the roles of CEO under their contract of employment.

25. Events after the end of the reporting period

From 1 November 2017, St Peter's C of E Primary Academy Mansfield joined the Diocese of Southwell and Nottingham Multi-Academy Trust.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

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

26. Conversion to an academy trust

On 1 September 2016 St Peter's Crosskeys Church of England Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Diocese of Southwell and Nottingham Multi-Academy Trust from Nottinghamshire 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 loss in the Statement of Financial Activities 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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	-	142,000	142,000
Budget surplus on LA funds	58,481	-	-	58,481
LGPS pension deficit	-	(460,000)	-	(460,000)
Net assets/(liabilities)	58,481	(460,000)	142,000	(259,519)

The above net assets include £58,481 that were transferred as cash.

On 1 September 2016 Worksop Priory Church of England Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Diocese of Southwell and Nottingham Multi-Academy Trust from Nottinghamshire 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 loss in the Statement of Financial Activities 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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total Year ended 31 August £
Leasehold land and buildings	-	-	142,000	142,000
Budget surplus on LA funds	32,945	-	-	32,945
LGPS pension deficit	-	(902,000)	-	(902,000)
Net assets/(liabilities)	32,945	(902,000)	142,000	(727,055)

The above net assets include £32,945 that were transferred as cash.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

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

26. Conversion to an academy trust (continued)

On 1 September 2016 Burntstump Seely Church of England Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Diocese of Southwell and Nottingham Multi-Academy Trust from Nottinghamshire 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 loss in the Statement of Financial Activities 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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total Year ended 31 August £
Leasehold land and buildings	-	-	142,000	142,000
Budget surplus on LA funds	15,708	-	-	15,708
LGPS pension deficit	-	(162,000)	-	(162,000)
	<u>15,708</u>	<u>(162,000)</u>	<u>142,000</u>	<u>(4,292)</u>
Net assets/(liabilities)	<u>15,708</u>	<u>(162,000)</u>	<u>142,000</u>	<u>(4,292)</u>

The above net assets include £15,708 that were transferred as cash.

On 1 January 2017 The William Gladstone Church of England Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Diocese of Southwell and Nottingham Multi-Academy Trust from Nottinghamshire 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 loss in the Statement of Financial Activities 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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total Year ended 31 August £
Leasehold land and buildings	-	-	3,998,000	3,998,000
Budget surplus on LA funds	84,317	-	-	84,317
LGPS pension deficit	-	(745,000)	-	(745,000)
	<u>84,317</u>	<u>(745,000)</u>	<u>3,998,000</u>	<u>3,337,317</u>
Net assets/(liabilities)	<u>84,317</u>	<u>(745,000)</u>	<u>3,998,000</u>	<u>3,337,317</u>

The above net assets include £84,316 that were transferred as cash.

