

Registered Number: 08738949 (England & Wales)

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

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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

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REFERENCE AND ADMINISTRATIVE DETAILS

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	Philip Blinston Hilary Craik Ian Griffiths John Hunter Claire Meese Chris Moodie Angela Pae Roger Periam
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	Jo Saville
Chief executive officer	Chris Moodie
Senior management team	Chris Moodie, CEO Anna Martin, Principal Magnus C of E Academy Kerrie Clowes, Headteacher Harworth C of E Academy Sam Robinson, Headteacher St Mary Magdalene C of E Primary School David White, Headteacher St John's C of E Academy Sarah Clarke, Headteacher The William Gladstone C of E Primary Academy (from 1 November 2018) Phil Abbott, Executive Headteacher Worksop Priory C of E Primary Academy and St Swithun's 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 Nadeem Shah, Executive Headteacher The William Gladstone C of E Primary Academy (to 31 October 2018) James Marshall, Headteacher St Peter's C of E Primary Academy Mansfield Lisa McVeigh, Principal The Samworth Church Academy (from 1 December 2018) Sarah Perry, Business Director Jo Saville, Trust Operations Officer Dave Orridge, IT Director

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Independent auditor	Mazars LLP Chartered Accountants Statutory Auditor 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
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

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 2019. 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 667 on roll in the school census of October 2018.
- 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 196 on roll as in the census October 2018.
- 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 209 on roll as in the census October 2018.
- St John's C of E Academy - an academy for pupils aged 3 – 11 serving a catchment area in Worksop in Nottinghamshire with a capacity of 420 and 404 pupils of statutory school age on roll as in the census October 2018. The academy opened its nursery provision for up to 26 pre-school pupils in September 2018.
- 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 188 on roll as in the census October 2018.
- 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 120 and 94 pupils of statutory school age on roll as in the census October 2018. The academy opened its nursery provision for up to 11 pre-school pupils in September 2018.
- Worksop Priory C of E Primary Academy – an academy serving a catchment area in Worksop in Nottinghamshire with a capacity of 210 pupils aged 4 – 11 and 201 on roll in the census of October 2018. This academy also has Early Years Foundation Stage provision.
- The William Gladstone C of E Primary Academy – an academy serving a catchment area in Newark in Nottinghamshire with a capacity for 345 pupils aged 3 – 11 and 247 pupils of statutory school age on roll in the census October 2018. This academy also has provision for Early Years Foundation Stage pupils.
- St Peter's C of E Primary Academy Mansfield – an academy serving a catchment area in Mansfield in Nottinghamshire with a capacity for 315 pupils aged 3 – 11 and 244 pupils of statutory school age on roll on the October 2018 census. This academy also has provision for Early Years Foundation Stage pupils.
- St Swithun's C of E Primary Academy – an academy serving a catchment area in East Retford in Nottinghamshire with a capacity for 129 statutory age pupils and 100 pupils on roll on the October 2018 census. This academy also has provision for Early Years Foundation Stage pupils.
- The Samworth Church Academy – an academy for students aged 11 – 19 situated in Mansfield with 1115 students on roll on the October 2018 census. The academy has capacity for 900 11 – 16 age pupils and 250 post 16 students. This former single academy trust joined the MAT on 1 December 2018.

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

Structure, governance and management

a. Constitution

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

The charitable company's Trust deed is the primary governing document of the Academy Trust.

The Trustees of 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 operates as the Diocese of Southwell and Nottingham Multi-Academy Trust ("SNMAT") but also trades under the names of its individual academies as follows:

Magnus C of E Academy
Harworth C of E Academy
St Mary Magdalene C of E Primary School
St John's C of E Academy
St Peter's Crosskeys C of E Academy
Burntstump Seely C of E Primary Academy
Worksop Priory C of E Primary Academy
The William Gladstone C of E Primary Academy
St Peter's C of E Primary Academy Mansfield
St Swithun's C of E Primary Academy
The Samworth Church Academy

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1 and 2.

b. Members' liability

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

c. 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.

d. Method of recruitment and appointment or election of Trustees

Potential new trustees are identified by the Trust 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.

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

Structure, governance and management (continued)

e. Policies 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. Trustees undertake an induction which is designed to cover the basic requirements to undertake the role and reflect the knowledge and experience they bring with them.

f. Organisational structure

The Trust is run by a Board of Directors who have overall legal responsibility for the operation of the Trust 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 Trust continues to grow. St Mary's C of E Primary School Edwinstowe joined SNMAT on 1 December 2019 and Haggonfields Primary and Nursery School will join SNMAT on 1 February 2020. It is still anticipated that Gamston C of E Primary School will join SNMAT, although there has been a delay with this process, and an academy order has been granted for Hucknall National C of E Primary School.

Academies joining the Trust are allocated to the appropriate academy category based on their latest Ofsted inspection report and recent performance trends. The Trust 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 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 to the Local Governing Body of the academy by the Trust Board. During the period under review the Trust served three sponsored academies, two supported academies and six supporting academies. During this period the Board of Directors also had a Finance Committee, which oversaw budget and financial decision-making, made recommendations to the Board and acted as the Audit Committee and a Standards Committee, which focused on school improvement. A Remuneration Committee agrees the remuneration for senior centrally appointed staff.

From September 2019 an alternative meeting structure is being trialled which will bring the meetings structure for the MAT Board into line with the Rethinking Governance meeting cycle for the local governing bodies. The current format of individual meetings for the Finance and Standards committees will be replaced by a combination of smaller task groups and termly board meetings. The task groups will focus on specific strategic topics and report back to the Board via a termly Monitoring Report. It is believed that this will make the Board more effective at quality assuring the work of the Trust. The revised meeting structure will encompass the ESFA requirements for financial reporting to the Board. This may involve tasking specific Directors to quality assure the financial processes and procedures through regular meetings with the Business Director and reporting back to the Board.

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 Trust, staff from the Diocesan education team and appointed consultants.

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

g. 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, Business Director and Director of IT of the 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. These posts are remunerated at a level below that often paid to post holders in similar roles in other academy trusts. The responsibility for determining, and annually reviewing, the level of pay of the central senior management staff has been delegated to the Remuneration Committee of the Board of Directors. Pay increases are awarded in line with cost of living allowances for all other staff employed by the Trust and where appropriate to progress made by academies in the Trust.

Pay ranges for principals/head teachers, deputy head teachers and assistant head teachers 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.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	1
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	7,838	
Total pay bill	11,903,514	
Percentage of total pay bill spent on facility time	0.00066	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

i. 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 setting up of the Multi Academy Trust and is a corporate member of the Trust. Maintaining this link is a commitment made by both parties as the Trust grows and develops. The Central Team for the Trust is based at the Diocese of Southwell and Nottingham offices in Jubilee House in Southwell and rents facilities there at cost under a service level agreement. Support is also provided for the Trust by the Deputy Diocesan Director of Education and an Administration Assistant for Admissions and Governance at cost.

Objectives and activities

a. 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 2019 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.
- To provide strong support for operational needs to enable head teachers and their staff to focus on teaching and learning.

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

Objectives and activities (continued)

b. Objectives, strategies and activities

During 2018-2019 another secondary academy, formerly a single academy trust, was welcomed into the Trust. One of the main aims of the Trust has been to amalgamate this large academy successfully into the Trust, and, in particular, to address its particular needs to enable it to embark on its improvement journey. The organisational structure and systems have been constantly under review to maintain flexibility and enable the Trust to continue to grow and support a larger number of academies going forward.

There has also been a focus on Rethinking Governance both at Directorate and Local Governing Body levels. This has involved developing termly planners for meetings and a cycle of Governor Keeping in Touch, Accountability Panel and Full Governor meetings with the intention of making governance more effective and efficient while promoting wellbeing for both staff and governors. This will ensure that governors are able to hold leaders to account through external advice from the Academy Improvement Advisor.

The key focus of the school improvement reviews this year has been Quality Assurance, Academy Improvement Planning and Self-Evaluation.

The headline outcomes are:

1. The achievement of a "Good" judgement in Ofsted inspections at two of the Trusts most vulnerable academies, Magnus and Burntstump Seely;
2. The KIT and review methodology is now fully embedded;
3. A curriculum concept map has been completed for the primary phase which makes use of advice and guidance from secondary subject specialists;
4. O Track software has been installed for the primary phase following assessment by a working party of members of the Trust Leadership Team, to provide a more effective solution for monitoring assessment;

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 is 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 2019-2020.

c. 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.

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

Strategic report

Achievements and performance

a. 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 although increasingly emphasis is being placed on evaluation of the management of resources used to achieve these.

Performance at the Secondary Academies

Magnus C of E Academy

At Magnus pupils at GCSE have achieved the highest level of Attainment 8 scores to date and the Progress 8 measure has also improved from last year, now being much closer to 0. This is evidence of increasingly successful curriculum provision for pupils. The progress of pupils attending the academies own alternative provision unit, Maple, is also improving by comparison with last year, whereas the overall progress of pupils attending other alternative provision settings is zero. However, disadvantaged pupils have not made as much progress as hoped and a full review of the effectiveness of the interventions and other enrichment work is being undertaken.

While the proportion of pupils achieving the standard and strong pass in English and mathematics has increased since last year, the proportion achieving these passes in both subjects together has declined. Subjects where students did not make as much progress as they should have are a key focus for leaders and some have been discontinued due to persistent low performance.

SEND pupils are making good progress.

While pupils with high prior attainment achieved grades comparable to national, their progress was not as good as it should be. Some did not achieve the high grades they should in some subjects. Boys' achievement continues to lag behind that of girls by approximately $\frac{1}{4}$ of a grade. The proportion of pupils undertaking Ebacc subjects is increasing and progress and attainment is improving (28%). Progress is now close to average.

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

Strategic report (continued)

Achievements and performance (continued)

GCSE	2018	2019
Overall Progress	-0.21	-0.125
Attainment 8	3.82 (C-)	4.01 (C)
Maths 4+	54.3%%	57%
English 4+	57.5%	68%
Maths 5+	44.9%	43.6%

POST 16

At **KS5** student outcomes were very pleasing. Students' achievement across nearly all measures had improved. The increase in the proportion of pupils gaining A*-A is particularly impressive as it vindicates the strength of subject knowledge and teaching at this level.

The ALPs grading for A Level results is 2, which represents very good outcomes when compared to the national (ALPs dataset).

Students undertaking the BTEC qualifications achieved at or above the national (provisional). All students achieved the qualifications necessary for their first choice university.

KS5/ A Level (BTEC)	2018	2019
Value added	0.61 (3.63)	1.09
%A*-A	22%	44% including BTEC
%A*-B	58.6%	66.6%
%A-E	100(100)%	97(100)%
Average grade	C+	C

The Samworth Church Academy

At The Samworth Church Academy the results of 2019 at GCSE represent a disappointment and a decline since last year for most measures. The overall Progress 8 measure indicates pupils at TCSA achieve an average of a half a grade below other pupils nationally across their GCSEs. Weak outcomes in mathematics and science have contributed most to this. The difference in attainment between disadvantaged pupils and others is not diminishing with disadvantaged pupils at TCSA achieving around $\frac{3}{4}$ of a grade below their peers nationally.

The progress of boys continues to decline, although not by as much as last year, SEND pupils are not making the progress they should and too few high prior attaining pupils are gaining the high grades they should.

The small group of pupils (9) in the Triple Science entry achieved good outcomes, some exceeding national averages by a grade, but the pupils in the Trilogy (previously known as the science double award) cohort made below average progress. Much of this is attributed to some instability in staffing and weak teaching and assessments. This department continues to be closely monitored by senior leaders.

The pupils attending the school's own Alternative Provision (Hazeldene) skew the overall progress figures. Without these pupils in the figures progress is much closer to zero but still below average. However, the

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

Strategic report (continued)

Achievements and performance (continued)

progress of these pupils as a group is not as good as it should be. Leaders acknowledge that improving the curriculum and support for pupils attending this provision is a priority.

GCSE	2018	2019
Overall Progress	-0.35 (below average)	-0.47 (below average)
Attainment 8	42.1	41.95
Maths 4+	68.6%	59.9%
English 4+	66.2%	61.4%
Maths 5+	43.3%	28.9%

POST 16

The **KS5** results were disappointing as the value added measure declined from last year. Students undertaking BTEC perform much better than those taking A Level but the results are still below average.

The proportion of students achieving the higher grades at A Level has also declined significantly compared the last year and too many pupils achieved a 'U' grade.

KS5/ A Level (BTEC)	2018	2019
Value added	-0.17	-0.44 (-0.21)
%A*-A	22.8	4% (15%)
%A*-B	37.1	24%(32.9%)
%A-E	97.6	91% (97%)
Average grade	C	C-

Key Stage 2 (KS2)

		2019							2018						
		Reading		Writing		Maths		R/W/M	Reading		Writing		Maths		R/W/M
		ARE %	GD %	ARE %	GD %	ARE %	GD %	%	ARE %	GD %	ARE %	GD %	ARE %	GD %	%
FSP	St Peters Crosskeys	76	29	94	23	76	18	59	76	35	82	29	76	18	71
HAR	Harworth	100	18	93	35	96	14	89	93	33	93	37	100	22	83
JON	St Johns	90	46	80	36	92	49	80	78	22	83	18	72	22	62
MSP	St Peters Mansfield	60	10	53	0	70	10	40	63	13	73	13	63	13	55
PRI	Workshop Priory	67	26	74	22	78	22	63	87	20	87	23	93	23	83
SEE	Burntstump Seely	74	26	74	16	58	16	53	54	0	54	0	69	8	38
SSM	St Mary Magdalene	80	30	83	23	83	23	73	83	37	83	27	80	23	70
SWI	St Swithuns	48	14	57	19	57	14	39	37	0	75	12	62	0	12
WMG	William Gladstone	48	10	64	0	59	0	48	50	15	56	0	59	0	35
	SNMAT Average	71	23	75	19	74	18	60	69	19	76	18	75	14	57
	National Average	75	28	78	20	76	24	64	75	28	78	20	76	24	64

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

Academy	Commentary
St Peter's Cross Keys	Combined outcomes have dipped (in a very small cohort) whilst individual subjects have sustained their levels. A new Deputy Head Teacher has taken up post this term and has reportedly made a very positive start.
Harworth	Outcomes continue to be exceptionally high at the end of KS2. Project Outstanding is underway, and the Headteacher is also preparing to provide support for partner academies in developing reading.
St John's	Outcomes improved substantially in Y6 in 2019. A new Deputy Head Teacher took up post in September 2019 and is settling in well. The Headteacher announced his retirement with effect from 31 August 2020 which had provided good time for recruitment of his successor.
St Peter's Mansfield	The combined outcomes in Y6 dipped due to lower than expected writing teacher assessments. Lessons have been learned and the academy will be supported by the Harworth team in 2019-2020. A new EYFS leader took up post in September 2019.
Priory	Attainment in Yr 6 dipped from 2018, but the progress measures were still well above average (much lower starting points). The Executive Head will be relinquishing this role on 31 December 2019.
Burntstump Seely	Combined outcomes improved from 38% to 53% (very small cohorts), whilst reading and writing improved substantially. A large-scale capital project is underway, providing car parking and additional play areas. This will transform the site in terms of access.
St Mary Magdalene	The combined ARE at Y6 rose in 2019. The academy continues to improve under strong leadership. Changes to the environment are supporting these improvements. The academy has adopted a 'school dog' which is being deployed to help the most vulnerable pupils in the nurture provision.
St Swithun's	A new executive head teacher has been appointed to work across St Swithun's and Gamston from 1 January 2020. Helen Thomas is an experienced head teacher and comes with exceptional references from a Diocesan MAT in Lancashire. The combined figure in Y6 rose from 12% in 2018, to 40% this year. It is predicted to rise much further in 2020.
William Gladstone	Outcomes improved from 35% in 2018 to 48% in 2019. This was below predictions and largely due to the reading outcomes. The quality of teaching has continued to improve, and class configurations are now sustainable (having been too expensive in the last two years). A new EY leader has taken up post and is making a big difference in this area.

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

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 Trust and the individual academies.

Location	School Type	Pupil /Teacher Ratio	Teach cost per pupil	Edu supp cost per pupil	Other staff costs per pupil	Staff costs / Total costs	Staff costs / Total income	Total Cost per pupil	Total Income per pupil
CEN	OTHER	0.0	£ -	£ -	£ -	61%	65%	£ -	£ -
FSP	PRIMARY	22.5	£ 2,222	£ 1,038	£ 390	75%	78%	£ 4,890	£ 4,665
HAR	PRIMARY	23.3	£ 2,034	£ 1,008	£ 383	80%	77%	£ 4,399	£ 4,575
JON	PRIMARY	25.5	£ 1,954	£ 822	£ 445	78%	75%	£ 4,219	£ 4,360
MAG	SECONDARY	16.4	£ 3,291	£ 968	£ 700	80%	82%	£ 6,269	£ 6,159
MSP	PRIMARY	22.2	£ 1,836	£ 1,087	£ 472	81%	80%	£ 4,866	£ 4,972
PRI	PRIMARY	21.4	£ 2,386	£ 1,637	£ 364	85%	84%	£ 5,247	£ 5,289
SAM	SECONDARY	15.7	£ 2,062	£ 706	£ 522	75%	74%	£ 4,460	£ 4,496
SEE	PRIMARY	18.9	£ 2,588	£ 693	£ 461	75%	77%	£ 5,418	£ 5,290
SSM	PRIMARY	26.1	£ 1,740	£ 728	£ 446	75%	68%	£ 3,932	£ 4,344
SWI	PRIMARY	18.6	£ 2,541	£ 1,030	£ 680	81%	80%	£ 5,799	£ 5,853
WMG	PRIMARY	14.8	£ 3,039	£ 1,273	£ 466	80%	81%	£ 6,116	£ 6,058

It is usually accepted that staff costs should be about 75-80% of the total expenditure for a school. However, the figures above do not include the costs of staff who are not paid through SNMAT. In some cases, Executive Head teachers and Sencos, employed by other schools, work partially in SNMAT academies by arrangement and those schools are reimbursed for their time at cost. The staffing profile, especially for small to medium size primary schools, also impacts on the overall staffing costs. The figures for The Samworth Church Academy are not consistent for some indicators as these are for a period of 9 months as the academy only joined the SNMAT on 1 December 2018.

b. Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies.

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

Strategic report (continued)

Financial review

a. 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 possible redundancies and the nature of reserves.

The £1,401,843 of restricted and unrestricted reserves is only 6.9% of the Trust's total income in 2018-2019. This will cover:

- Higher costs due to lagged funding for increasing pupil numbers at some academies;
- higher staffing costs as a result of a 2.75% pay increase for teaching staff only being partly funded through the Teacher Pay Grant;
- the cost of any redundancies that may arise as a result of any future restructure;
- unsustainable staff costs prior to anticipated natural wastage;
- growing central MAT staffing to build capacity as the SNMAT grows.

The Trustees keep the level of reserves under review and it was agreed that in 2018-2019 the supporting and supported academies would be recharged 4% of the GAG, instead of being given a rebate at the end of the year. Sponsored academies would continue to be recharged 5% to cover their enhanced package of support. The Trust aims to retain centrally held reserves to cover 3 months of central operating expenses plus a £50,000 allowance to enable the central MAT to assist any academy in difficulties and another £50,000 allowance to support MAT growth. In 2018-2019 the MAT used some of the reserves allowed for MAT growth to provide a reduced recharge to the Samworth Church Academy of 3.5% for its first year. It also supported William Gladstone with its financial difficulties by not taking a recharge during 2018-2019. The understanding is that this will be paid over 6 years subsequently. The reserves therefore currently cover 3 months operating expenses but only half the amount allowed for supporting MAT growth.

b. 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 on surplus balances in 2019-2020.

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

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

Strategic report (continued)

Financial review (continued)

c. 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 23 to the financial statements but this is subject to periodic actuarial review and regulatory monitoring by Trustees and is not expected to crystallise in the accounts. 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 full introduction of the National Funding Formula will benefit Magnus, in particular, by 6.4% when fully implemented from 2020-2021.

The finances of the Trust are highly sensitive to pupil numbers, particularly 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. However, pupil numbers have been increasing since the appointment of the new Principal in 2016, and it is hoped that the Good outcome from the Ofsted inspection will encourage this. Pupil numbers at most of the primary academies are stable. There was an initial dip in numbers at William Gladstone in 2018-2019 but numbers are now starting to recover in 2019-2020. However, the smallest of the primary schools in the Trust, Burntstump Seely and St Swithun's, are also highly sensitive to pupil numbers on roll.

The increase in the employers' contribution to the teachers' pension scheme and the higher than anticipated increases in teachers' pay also presented great uncertainty around medium to long term financial during 2018-2019. However, the DfE has now confirmed that the Teachers' Pensions grant will continue to be paid for the next 3 years and the Teacher's Pay Grant has been increased in 2019-2020. A commitment has also been made to increasing the per pupil allocation from 2020-2021 which will hopefully cover the teacher pay increases in future years. The triennial revaluation of the LGPS is also due to take place in 2019 which could have an impact on the Trust's pension liabilities. This, however, would not crystallise in the accounts.

We are aware that the uncertainty currently surrounding Brexit could potentially impact our operations, service users and suppliers. We are reviewing and monitoring the impact of this on an ongoing basis.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Fundraising

Under the provisions of the Charities (Protection and social Investments) Act 2016 the Trust is required to include information on its fundraising practices.

The academies in the Trust carry out very low levels of fundraising, which include activities for pupils to raise money for other charities and school fairs/fetes or other similar activities. Commercial participators/professional fundraisers are not involved with these activities. Fundraising activities conform to recognised standards, no-one is put under undue pressure to donate and, as far as the Trust is aware, there have been no complaints regarding any of the fundraising activities carried out.

Plans for future periods

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 2019-2020. Three more small primary schools are due to join the Trust on 1 December 2019 and another primary school has already obtained its academy order and is expected to join the Trust on 1 February 2020. 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.

Auditor

Insofar as the trustees are aware:

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

The auditors, Mazars LLP, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re appointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 10.12.19 and signed on its behalf by:



.....
Phillip 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, 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 information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Philip Blinston	5	6
Hilary Craik	4	6
Ian Griffiths	6	6
John Hunter	5	6
Claire Meese	4	6
Chris Moodie	5	6
Angela Pae	4	6
Roger Periam	2	6

Work on establishing effective governance arrangements at local board level is continuing with the Trust's Rethinking Governance project in line with the MAT's scheme of delegation. The structure for termly agendas is in place, key link governor roles are defined along with protocols for governor visits and a framework for Governor Accountability panels have been set up. Governance has been very much a focus during 2018-2019 and will continue to be during 2019-2020 with the Board trialling a different way of working that will involve more full Board meetings with supporting working groups.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

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 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.

The Finance Committee met 6 times during the period and attendance at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Ian Griffiths	6	6
John Hunter	5	6
Chris Moodie	5	6
Angela Pae	6	6
Roger Periam	2	6

The Board also has a Standards Committee, which concentrates on reviewing school improvement, teaching and learning data and safeguarding. The Standards Committee met 3 times during the year and attendance at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Phillip Blinston	2	3
Hilary Craik	3	3
Claire Meese	3	3
Chris Moodie	3	3

Review of value for money

As Accounting Officer, the Chief Executive 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. During 2018-2019 the Central Trust conducted a procurement exercises to check that its auditors continued to provide value for money;
- 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 one of the Head teachers has become Executive Head across two of the academies in the Trust and a school which is due to convert and join SNMAT in 2019-2020.
- Completing the school resource management self-evaluation tool for all academies in the Trust in 2018-2019 although this was not then mandatory to ensure that the primary academies were fully informed regarding integrated curriculum financial planning;

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

- Ensuring that some supplies and services are procured centrally giving economies of scale in terms of costs. An example in 2018-2019 is the procurement of the confidential shredding contract to ensure that the trust is meeting its records management obligations in respect of GDPR;
- Centralising the bank account and processing of invoices in order to make financial processes and procedures more efficient and ensure they are followed consistently. This gives the Business/Office Managers in the academies the opportunity to be proactive rather than reactive in their management of their academy resources.

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.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Diocese of Southwell and Nottingham Multi-Academy Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

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 and General Purposes 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.

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. 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 Trust now proposes to move to a single bank account and centralised invoicing in order to increase control now that Trust has grown.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As Accounting Officer, the Chief Executive 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 reviewer;
- the financial management and governance self-assessment process;
- the work of the Business Director within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by 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 and signed on their behalf by:



.....
Phillip Blinston
Chair of Trustees

Date: 10.12.19



.....
Chris Moodie
Accounting Officer

Date: 10.12.19

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST
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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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of all 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 2018.

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



.....
Chris Moodie
Accounting Officer

Date: 10.12.19

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees and signed on its behalf by:



.....
Phillip Blinston
Chair of Trustees

Date: 10.12.19

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST
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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 'Academy Trust') for the year ended 31 August 2019 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 2018 to 2019 issued by the Education & Skills Funding Agency and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

The impact of uncertainties due to Britain exiting the European Union on our audit

The Trustees' view on the impact of Brexit is disclosed on page 15.

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Academy Trust's operations, service users, suppliers and the wider economy.

We considered the impact of Brexit on the Academy Trust as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Academy Trust's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Academy Trust and this is particularly the case in relation to Brexit.

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

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust'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.

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement on page 23, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Use of the audit report

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



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: 16/12/19

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

In accordance with the terms of our engagement letter dated 23 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Diocese of Southwell and Nottingham Multi-Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 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 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 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

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

Conclusion

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

Mazars LLP

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Nottingham
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Date: *16/12/19*

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

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

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:					
Donations and capital grants:					
3					
Transfer from local authority on conversion	-	-	(534,756)	(534,756)	(1,253,024)
Transfer from existing academies	52,495	(3,085,000)	25,781,920	22,749,415	-
Other donations and capital grants	223,264	-	624,917	848,181	329,970
Charitable activities	4	18,338,735	-	18,338,735	13,198,352
Other trading activities	5	363,300	-	1,136,187	688,918
Investments	6	-	-	1,399	1,256
Total income	1,050,045	15,617,035	25,872,081	42,539,161	12,965,472
Expenditure on:					
Charitable activities	7	20,829,727	778,678	21,731,542	14,926,925
Total expenditure	123,137	20,829,727	778,678	21,731,542	14,926,925
Net income/ (expenditure)	926,908	(5,212,692)	25,093,403	20,807,619	(1,961,453)

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

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

		Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Net income/ (expenditure) brought forward		926,908	(5,212,692)	25,093,403	20,807,619	(1,961,453)
Transfers between funds	18	(472,460)	211,562	260,898	-	-
Net movement in funds before other recognised gains/(losses)		454,448	(5,001,130)	25,354,301	20,807,619	(1,961,453)
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	23	-	(3,144,000)	-	(3,144,000)	1,729,000
Net movement in funds		454,448	(8,145,130)	25,354,301	17,663,619	(232,453)
Reconciliation of funds:						
Total funds brought forward		1,222,201	(5,532,676)	13,664,119	9,353,644	9,586,097
Net movement in funds		454,448	(8,145,130)	25,354,301	17,663,619	(232,453)
Total funds carried forward		1,676,649	(13,677,806)	39,018,420	27,017,263	9,353,644

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08738949

BALANCE SHEET
AS AT 31 AUGUST 2019

		2019 £	2018 £
Fixed assets			
Tangible assets	14	38,856,653	13,514,528
		<u>38,856,653</u>	<u>13,514,528</u>
Current assets			
Stocks	15	42,455	-
Debtors	16	846,977	403,927
Cash at bank and in hand	22	2,252,403	2,313,827
		<u>3,141,835</u>	<u>2,717,754</u>
Creditors: Amounts falling due within one year	17	(1,578,225)	(986,638)
Net current assets		<u>1,563,610</u>	<u>1,731,116</u>
Net assets excluding pension liability		40,420,263	15,245,644
Defined benefit pension scheme liability	23	(13,403,000)	(5,892,000)
Total net assets		<u><u>27,017,263</u></u>	<u><u>9,353,644</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	39,018,420	13,664,119
Restricted income funds	18	(274,806)	359,324
Restricted funds excluding pension liability	18	38,743,614	14,023,443
Pension reserve	18	(13,403,000)	(5,892,000)
Total restricted funds	18	<u>25,340,614</u>	<u>8,131,443</u>
Unrestricted income funds	18	<u>1,676,649</u>	<u>1,222,201</u>
Total funds		<u><u>27,017,263</u></u>	<u><u>9,353,644</u></u>

The financial statements on pages 30 to 63 were approved by the Trustees, and authorised for issue and are signed on their behalf, by:



.....
Phillip Blinston
 Chair of Trustees

Date: 10.12.19

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	20	133,404	286,935
Cash flows from investing activities	21	(194,828)	60,439
Change in cash and cash equivalents in the year		(61,424)	347,374
Cash and cash equivalents at the beginning of the year		2,313,827	1,966,453
Cash and cash equivalents at the end of the year	22	<u>2,252,403</u>	<u>2,313,827</u>

The notes on pages 34 to 63 form part of these 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 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Diocese of Southwell and Nottingham Multi-Academy Trust meets the definition of a public benefit entity under 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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

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**

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

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

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

• **Donations**

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

• **Other income**

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

• **Transfer on conversion**

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

• **Transfer of existing academies into the Academy Trust**

Where assets and liabilities are received on the transfer of an existing academy into the Academy Trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised for the transfer of an existing academy into the Academy Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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

1. Accounting policies (continued)

1.4 Expenditure

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

- **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 resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

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

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Leasehold buildings	- over 50 years
Leasehold land	- over the term of the lease
Multi use games area	- over 8 years, being residual life on conversion
Fixtures, fittings and equipment	- over 5 years
Longer life fixtures and fittings	- over 10 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

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 2019

1. Accounting policies (continued)

1.8 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. 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 17. 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.

1.9 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.

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

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

1. Accounting policies (continued)

1.10 Pensions

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

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy 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.

1.11 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Transfer from local authority on conversion	-	(534,756)	(534,756)	(1,253,024)
Transfer from existing academies	52,495	22,696,920	22,749,415	-
Capital grants	-	624,917	624,917	212,105
Other donations	223,264	-	223,264	117,865
Total 2019	275,759	22,787,081	23,062,840	(923,054)
Total 2018	212,795	(1,135,849)	(923,054)	

Within transfers from local authority on conversion there is a decrease to income of £534,756 in relation to the correction of the estimated 2018 property valuations on conversion upon receipt of the ESFA property valuations during the year.

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

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

4. Funding for the Academy Trust's educational operations

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants			
General Annual Grant (GAG)	15,460,055	15,460,055	10,993,340
Start Up Grant	39,013	39,013	40,290
Other DfE/ESFA Group grants	1,780,654	1,780,654	1,413,946
	<u>17,279,722</u>	<u>17,279,722</u>	<u>12,447,576</u>
Local authority grants	1,059,013	1,059,013	750,776
Total 2019	<u><u>18,338,735</u></u>	<u><u>18,338,735</u></u>	<u><u>13,198,352</u></u>

In 2018, of the total funding for the Academy Trust's educational operations, £13,198,352 was to restricted funds and £Nil was to unrestricted funds.

5. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Hire of facilities	105,941	-	105,941	99,713
Academy trips	-	252,230	252,230	106,227
Catering income	329,306	-	329,306	180,669
Sale of goods	29,933	-	29,933	12,199
Other income	307,707	111,070	418,777	290,110
Total 2019	<u><u>772,887</u></u>	<u><u>363,300</u></u>	<u><u>1,136,187</u></u>	<u><u>688,918</u></u>
Total 2018	<u><u>515,884</u></u>	<u><u>173,034</u></u>	<u><u>688,918</u></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 2019

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment income	1,399	1,399	1,256

In 2018, of the total investment income, £1,256 was to unrestricted funds and £Nil was to restricted funds.

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Academy's educational operations					
Direct costs	13,125,535	-	1,902,242	15,027,777	10,549,219
Allocated support costs	3,469,908	1,057,014	2,176,843	6,703,765	4,377,706
Total 2019	16,595,443	1,057,014	4,079,085	21,731,542	14,926,925
Total 2018	11,591,868	870,161	2,464,896	14,926,925	

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

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

8. Charitable activities

	2019 £	2018 £
Direct costs - educational operations	15,027,777	10,549,219
Support costs - educational operations	6,703,765	4,377,706
Total	<u>21,731,542</u>	<u>14,926,925</u>
	2019 £	2018 £
Analysis of support costs		
Support staff costs	3,469,908	2,135,724
Depreciation	778,678	414,717
Technology costs	220,567	214,291
Premises costs	1,057,014	618,399
Other support costs	965,511	804,043
Governance costs	212,087	190,532
Total	<u>6,703,765</u>	<u>4,377,706</u>

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

	2019 £	2018 £
Operating lease rentals	42,587	45,553
Depreciation of tangible fixed assets	778,678	414,717
Fees paid to auditor for:		
- audit	17,900	21,850
- other services	14,305	16,500

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

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

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	11,859,020	8,196,296
Social security costs	1,119,713	769,822
Pension costs	3,187,464	2,217,963
	<u>16,166,197</u>	<u>11,184,081</u>
Agency staff costs	429,246	316,768
Staff restructuring costs	-	91,019
	<u>16,595,443</u>	<u>11,591,868</u>

Staff restructuring costs comprise:

	2019 £	2018 £
Redundancy payments	-	64,171
Severance payments	-	26,848
	<u>-</u>	<u>91,019</u>

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	193	118
Administration and support	216	256
Management	34	29
	<u>443</u>	<u>403</u>

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. Staff costs (continued)

c. Higher paid staff

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	7	4
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	3	-
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
	<u>1</u>	<u>-</u>

d. 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 £1,418,002 (2018: £847,056).

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

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

11. 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:

From 1 September 2018 those academies on supporting and supported schemes of delegation have been re-charged 4% of their GAG income not including Pupil Premium as their contribution to central services. Academies on the sponsored scheme of delegation have been recharged 5%. It has been agreed that newly converted academies and those just joining SNMAT will be charged 3.5% for their first year. The Central Reserves Policy is that there should be sufficient to cover at least 3 months operating expenses plus £50,000 for MAT growth (ie to cover the 0.5% reduction in the recharge in the first year) and £50,000 to be able to support an academy in difficulty.

The actual amounts charged during the year were as follows:

	2019	2018
	£	£
Magnus Church of England Academy	169,251	163,999
Harworth Church of England Academy	30,498	30,099
St. Mary Magdalene Church of England Academy	30,871	30,878
St. John's Church of England Academy	58,309	58,498
St Peter's Crosskeys Church of England Academy	28,180	28,431
Worksop Priory Church of England Academy	34,636	34,405
Burntstump Seely Church of England Academy	21,058	21,501
The William Gladstone Church of England Academy	-	65,722
St Peters C of E Primary Academy Mansfield	49,673	41,252
St Swithun's C of E Primary Academy	25,260	10,530
The Samworth Church Academy	149,965	-
Total	<u>597,701</u>	<u>485,315</u>

As outlined in the Strategic report, The William Gladstone Church of England Academy was not charged for services provided during 2018/2019.

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

12. 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 staff members under their contracts of employment.

The value of Trustees' remuneration and other benefits was as follows:

		2019	2018
		£'000	£'000
Chris Moodie	Remuneration	100-105	95-100
	Pension contributions paid	15-20	15-20

During the year, travel and subsistence expenses totalling £1,888 and gift expenses of £Nil were reimbursed to 1 Trustee (2018: 1 trustee £1,855 and £Nil respectively).

13. 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 £10,000,000. 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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

14. Tangible fixed assets

	Leasehold property £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Assets under construction £	Total £
Cost or valuation						
At 1 September 2018	14,136,799	400,737	477,705	26,215	138,084	15,179,540
Additions	116,146	127,670	121,889	42,510	465,424	873,639
Acquisitions	24,982,178	264,986	-	-	-	25,247,164
Transfers between classes	404,800	-	-	-	(404,800)	-
At 31 August 2019	<u>39,639,923</u>	<u>793,393</u>	<u>599,594</u>	<u>68,725</u>	<u>198,708</u>	<u>41,300,343</u>
Depreciation						
At 1 September 2018	951,246	311,715	385,011	17,040	-	1,665,012
Charge for the year	614,256	92,285	63,360	8,777	-	778,678
At 31 August 2019	<u>1,565,502</u>	<u>404,000</u>	<u>448,371</u>	<u>25,817</u>	<u>-</u>	<u>2,443,690</u>
Net book value						
At 31 August 2019	<u>38,074,421</u>	<u>389,393</u>	<u>151,223</u>	<u>42,908</u>	<u>198,708</u>	<u>38,856,653</u>
At 31 August 2018	<u>13,185,553</u>	<u>89,022</u>	<u>92,694</u>	<u>9,175</u>	<u>138,084</u>	<u>13,514,528</u>

Included within land and buildings is leasehold land at valuation of £6,037,087 (2018: £3,305,962).

15. Stocks

	2019 £	2018 £
Finished goods and goods for resale	<u>42,455</u>	<u>-</u>

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16. Debtors

	2019	2018
	£	£
Due within one year		
Trade debtors	158,447	21,986
VAT recoverable	47,611	58,749
Other debtors	471,300	225,221
Prepayments and accrued income	169,619	97,971
	<u>846,977</u>	<u>403,927</u>

17. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	276,488	119,744
Other taxation and social security	283,573	193,496
Other creditors	241,528	59,136
Accruals and deferred income	776,636	614,262
	<u>1,578,225</u>	<u>986,638</u>

	2019	2018
	£	£
Deferred income		
Deferred income at 1 September 2018	609,603	434,785
Resources deferred during the year	573,431	609,603
Amounts released from previous years	(609,903)	(434,785)
Deferred income at 31 August 2019	<u>573,131</u>	<u>609,603</u>

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

- £159,551 Conversion Grants
- £64,435 Rates Relief
- £140,114 SEN Funding
- £151,170 Universal Infant School Meals
- £48,968 Academy Visits
- £9,193 Other

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18. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General funds	1,222,201	1,050,045	(123,137)	(472,460)	-	1,676,649
Restricted general funds						
General Annual Grant (GAG)	359,324	15,460,055	(16,305,747)	211,562	-	(274,806)
Start up grants	-	39,013	(39,013)	-	-	-
Pupil premium	-	1,070,184	(1,070,184)	-	-	-
Other grants	-	2,132,783	(2,132,783)	-	-	-
Pension reserve	(5,892,000)	(3,085,000)	(1,282,000)	-	(3,144,000)	(13,403,000)
	<u>(5,532,676)</u>	<u>15,617,035</u>	<u>(20,829,727)</u>	<u>211,562</u>	<u>(3,144,000)</u>	<u>(13,677,806)</u>
Restricted fixed asset funds						
Devolved Formula Capital	282,884	284,162	(11,136)	(41,653)	-	514,257
Donations	12,840,920	25,247,164	(745,351)	-	-	37,342,733
Other DfE Capital Grant	540,315	340,755	(22,191)	-	-	858,879
Capital expenditure from GAG	-	-	-	302,551	-	302,551
	<u>13,664,119</u>	<u>25,872,081</u>	<u>(778,678)</u>	<u>260,898</u>	<u>-</u>	<u>39,018,420</u>
Total Restricted funds	<u>8,131,443</u>	<u>41,489,116</u>	<u>(21,608,405)</u>	<u>472,460</u>	<u>(3,144,000)</u>	<u>25,340,614</u>
Total funds	<u><u>9,353,644</u></u>	<u><u>42,539,161</u></u>	<u><u>(21,731,542)</u></u>	<u><u>-</u></u>	<u><u>(3,144,000)</u></u>	<u><u>27,017,263</u></u>

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18. Statement of funds (continued)

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.

Analysis of academies by fund balance

Fund balances at 31 August 2019 were allocated as follows:

	2019	2018
	£	£
Magnus C of E Academy	233,664	320,881
Harworth C of E Academy	138,185	100,500
St Mary Magdalene C of E Primary School	191,397	117,533
St John's C of E Academy	171,748	300,587
St Peters Crosskeys C of E Academy	112,024	148,919
Worksop Priory C of E Primary Academy	117,693	136,051
Burntstump Seely C of E Primary Academy	27,804	41,875
The William Gladstone C of E Primary Academy	(37,792)	(26,243)
St Peters C of E Primary Academy Mansfield	145,227	125,063
St Swithun's C of E Primary Academy	52,298	41,680
The Samworth Church Academy	32,816	-
Central MAT	216,779	274,679
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,401,843	1,581,525
Restricted fixed asset fund	39,018,420	13,664,119
Pension reserve	(13,403,000)	(5,892,000)
	<hr/>	<hr/>
Total	27,017,263	9,353,644
	<hr/> <hr/>	<hr/> <hr/>

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

18. Statement of funds (continued)

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

	Deficit £
The William Gladstone C of E Primary Academy	37,792

The William Gladstone C of E Primary Academy is carrying a net deficit due to significant staffing turbulence during 2018/2019 including an administrative staff restructure.

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

The Trust is working closely with the senior leadership of the academy to produce a deficit recovery plan. Staffing appointments following natural wastage will only be made following careful due diligence to ensure best value is obtained while not presenting detriment to the pupil's education.

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

18. Statement of funds (continued)

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Magnus C of E Academy	2,891,664	464,938	359,629	446,384	4,162,615	4,168,001
Harworth C of E Academy	619,054	75,198	52,892	115,096	862,240	826,068
St Mary Magdalene C of E Primary School	522,678	93,117	76,927	129,059	821,781	803,999
St John's C of E Academy	1,240,438	194,425	177,501	231,128	1,843,492	1,676,776
St Peters Crosskeys C of E Academy	614,868	73,404	95,934	135,153	919,359	857,419
Worksop Priory C of E Primary Academy	958,255	85,289	62,367	121,912	1,227,823	1,139,790
Burntstump Seely C of E Primary Academy	352,787	44,677	47,285	80,767	525,516	487,198
The William Gladstone C of E Primary Academy	1,138,554	119,673	147,022	166,616	1,571,865	1,789,369
St Peters C of E Primary Academy Mansfield	916,291	123,702	81,533	153,403	1,274,929	984,811
St Swithun's C of E Primary Academy	443,076	74,830	25,032	94,910	637,848	248,068
The Samworth Church Academy	3,209,057	592,698	739,217	521,319	5,062,291	-
Central MAT	218,813	246,957	36,903	259,432	762,105	624,706
Academy Trust	13,125,535	2,188,908	1,902,242	2,455,179	19,671,864	13,606,205

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

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General funds	857,886	729,935	(365,620)	-	-	1,222,201
Restricted general funds						
General Annual Grant (GAG)	292,034	10,993,340	(10,849,971)	(76,079)	-	359,324
Start up grants	-	40,290	(40,290)	-	-	-
Pupil premium	-	829,703	(829,703)	-	-	-
Other grants	-	1,508,053	(1,520,624)	12,571	-	-
Pension reserve	(5,885,000)	(830,000)	(906,000)	-	1,729,000	(5,892,000)
	<u>(5,592,966)</u>	<u>12,541,386</u>	<u>(14,146,588)</u>	<u>(63,508)</u>	<u>1,729,000</u>	<u>(5,532,676)</u>
Restricted fixed asset funds						
Devolved Formula Capital	221,432	74,023	-	(12,571)	-	282,884
Donations	13,773,591	(517,954)	(414,717)	-	-	12,840,920
Other DfE Capital Grant	326,154	138,082	-	76,079	-	540,315
	<u>14,321,177</u>	<u>(305,849)</u>	<u>(414,717)</u>	<u>63,508</u>	<u>-</u>	<u>13,664,119</u>
Total Restricted funds	<u>8,728,211</u>	<u>12,235,537</u>	<u>(14,561,305)</u>	<u>-</u>	<u>1,729,000</u>	<u>8,131,443</u>
Total funds	<u><u>9,586,097</u></u>	<u><u>12,965,472</u></u>	<u><u>(14,926,925)</u></u>	<u><u>-</u></u>	<u><u>1,729,000</u></u>	<u><u>9,353,644</u></u>

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of net assets between funds

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	38,856,653	38,856,653
Current assets	1,676,649	1,303,419	161,767	3,141,835
Creditors due within one year	-	(1,578,225)	-	(1,578,225)
Provisions for liabilities and charges	-	(13,403,000)	-	(13,403,000)
Total	<u>1,676,649</u>	<u>(13,677,806)</u>	<u>39,018,420</u>	<u>27,017,263</u>

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	13,514,528	13,514,528
Current assets	1,222,201	1,345,962	149,591	2,717,754
Creditors due within one year	-	(986,638)	-	(986,638)
Provisions for liabilities and charges	-	(5,892,000)	-	(5,892,000)
Total	<u>1,222,201</u>	<u>(5,532,676)</u>	<u>13,664,119</u>	<u>9,353,644</u>

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

20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019	2018
	£	£
Net income/(expenditure) for the year (as per Statement of Financial Activities)	20,807,619	(1,961,453)
Adjustments for:		
Depreciation	778,678	414,717
Capital grants from DfE and other capital income	(624,917)	(212,105)
Interest receivable	(1,399)	(1,256)
(Increase)/ decrease in stocks	(42,455)	12,373
(Increase) in debtors	(443,050)	(144,972)
Decrease in creditors	591,587	20,607
FRS 102 pension obligation inherited	3,085,000	830,000
FRS 102 pension costs	1,282,000	906,000
Surplus on conversion/transfer from existing academies	(52,495)	(131,976)
Donated assets	(25,247,164)	555,000
Net cash provided by operating activities	133,404	286,935

21. Cash flows from investing activities

	2019	2018
	£	£
Interest receivable	1,399	1,256
Purchase of tangible fixed assets	(873,639)	(284,898)
Capital grants from DfE Group	624,917	212,105
Cash transferred on conversion to an academy trust	52,495	131,976
Net cash (used in)/provided by investing activities	(194,828)	60,439

22. Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash in hand	2,252,403	2,313,827

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

23. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Barnett Waddingham. Both are multi-employer defined benefit schemes.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

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

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

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

23. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.08%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

Scheme Changes

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,906,000 (2018 - £791,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £981,000 (2018 - £682,000), of which employer's contributions totalled £740,000 (2018 - £513,000) and employees' contributions totalled £ 241,000 (2018 - £169,000). The agreed contribution rates for future years are 18 per cent for employers and 13 per cent for employees.

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

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

23. Pension commitments (continued)

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.90	2.70
Inflation assumption (CPI)	2.20	2.30

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	21.7	22.7
Females	24.4	25.6
<i>Retiring in 20 years</i>		
Males	23.3	24.9
Females	26.2	28.0

Sensitivity analysis

	At 31	At 31
	August 2019	August 2018
	£000	£000
Discount rate +0.1%	(681)	(341)
Discount rate -0.1%	700	354
Mortality assumption - 1 year increase	920	394
Mortality assumption - 1 year decrease	(887)	(382)
CPI rate +0.1%	610	304
CPI rate -0.1%	(594)	(205)

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NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

The Academy Trust's share of the assets in the scheme was:

	Fair value at 31 August 2019 £	Fair value at 31 August 2018 £
Equities	7,309,000	3,980,000
Gilts	384,000	172,000
Property	1,549,000	854,000
Debt instruments	1,010,000	649,000
Others incl. cash	1,462,000	531,000
Total market value of assets	11,714,000	6,186,000

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £	2018 £
Current service cost	(1,495,000)	(1,241,000)
Past service cost	(304,000)	(18,000)
Interest income	271,000	139,000
Interest cost	(491,000)	(298,000)
Administrative expenses	(2,000)	(1,000)
Total amount recognised in the Statement of Financial Activities	(2,021,000)	(1,419,000)

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

	2019 £	2018 £
At 1 September	12,078,000	10,488,000
Upon conversion	7,067,000	1,470,000
Interest cost	491,000	298,000
Employee contributions	241,000	169,000
Actuarial losses/(gains)	3,564,000	(1,521,000)
Past service costs	304,000	18,000
Benefits paid	(123,000)	(85,000)
At 31 August	23,622,000	10,837,000

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

23. Pension commitments (continued)

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

	2019	2018
	£	£
At 1 September	6,185,000	4,602,000
Conversion of academy trusts	3,982,000	640,000
Interest income	271,000	139,000
Actuarial gains	420,000	208,000
Employer contributions	740,000	513,000
Employee contributions	241,000	169,000
Benefits paid	(123,000)	(85,000)
Administrative expenses	(2,000)	(1,000)
At 31 August	<u>11,714,000</u>	<u>6,185,000</u>

24. Members' liability

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

25. Operating lease commitments

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019	2018
	£	£
Amounts payable:		
Within 1 year	54,872	38,661
Between 1 and 5 years	84,970	84,722
Total	<u>139,842</u>	<u>123,383</u>

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

26. Related party transactions

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

27. Post balance sheet events

St Mary's C of E Primary School Edwinstowe joined SNMAT on 1 December 2019.

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

28. Transfer of existing academies into the academy trust

On 1 December 2018 the Samworth Church Academy transferred all of its operations, assets and liabilities, except for the endowment fund, to the Southwell & Nottingham Diocese Multi Academy Trust for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value with corresponding net amount recognised in the Statement of Financial Activities.

The following table sets out the fair value of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Value reported by transferring trust £	Transfer in recognised £
Tangible fixed assets		
Leasehold property	25,516,934	25,516,934
Fixtures and Fittings	264,986	264,986
Current assets		
Stocks	11,073	11,073
Debtors	292,506	292,506
Cash at bank and in hand	33,430	33,430
Liabilities		
Creditors	(284,514)	(284,514)
Pensions		
Pensions - pension scheme assets	3,982,000	3,982,000
Pensions - pension scheme liabilities	(7,067,000)	(7,067,000)
Net assets	<u>22,749,415</u>	<u>22,749,415</u>