

**THE DIOCESE OF COVENTRY MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)**

REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD

27 FEBRUARY 2013 TO 31 AUGUST 2013

***Company Limited by Guarantee
Registration Number: 8422015
(England & Wales)***

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, TRUSTEES AND ADVISORS

Trustees	Dr R H Pogson - Chair and Accounting Officer (appointed 27 February 2013) A J Kennedy - (appointed 27 February 2013) S J Lloyd (appointed 27 February 2013) H J Brookes (appointed 27 February 2013 and resigned 1 October 2013) M C Cleveland (appointed 27 February 2013 and resigned 1 October 2013) E Leech (appointed 27 February 2013 and resigned 1 October 2013) M F Owen (appointed 27 February 2013 and resigned 1 October 2013)
Company Secretary	J R Baker
Central MAT - Senior Management Team	
Head of MAT	D Morris
Headteacher - Stretton Church of England Academy	S Bates
Headteacher - St Laurence's Church of England Primary School	M Moore
Principal Addresses	Diocese of Coventry Multi-Academy Trust The Benn Education Centre Claremont Road Rugby CV21 3LU Stretton Church of England Academy Stretton Avenue Willenhall Coventry CV3 3AE St Laurence's Church of England Primary School Old Church Road Coventry CV6 7FN
Registered Office	The Benn Education Centre Claremont Road Rugby CV21 3LU
Company Registration Number	8422015
Independent Auditor	UHY Hacker Young (Birmingham) LLP 9-11 Vittoria Street Birmingham B1 3ND

TRUSTEES' REPORT FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period ended 31 August 2013.

Structure, Governance and Management**Constitution**

The multi academy trust is a company limited by guarantee with no share capital (Registration Number: 8422015) and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the multi academy trust. The trustees of The Diocese of Coventry Multi-Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Diocese of Coventry Multi-multi academy trust.

Details of the trustees who served during the year except as noted are included in the Reference and Administrative Details on page 3.

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.

Trustees' Indemnities

The Diocese of Coventry Multi-Academy Trust has in place Directors and Trustees liability insurance indemnity cover to a limit of £5m.

Principal Activities

At The Diocese of Coventry Multi-Academy Trust, we work in partnership with young people, parents and carers to ensure that every student will:

- Feel safe, happy and healthy;
- Enjoy high quality learning opportunities, in a school at the leading edge of innovation;
- Feel challenged and inspired to achieve excellence in every aspect of their lives;
- Become confident, enterprising, creative learners, fully equipped for life and work;
- Become fully-rounded and responsible citizens, making a positive contribution to the school, local, national and global community.

Method of Recruitment and Appointment or Election of Trustees

There are clearly defined and approved procedures for the selection and appointment of trustees which are outlined in the company's Articles of Association. These include application, shortlisting and interview procedures. Consideration is given to the skills of trustees which would enhance the effectiveness of the trust.

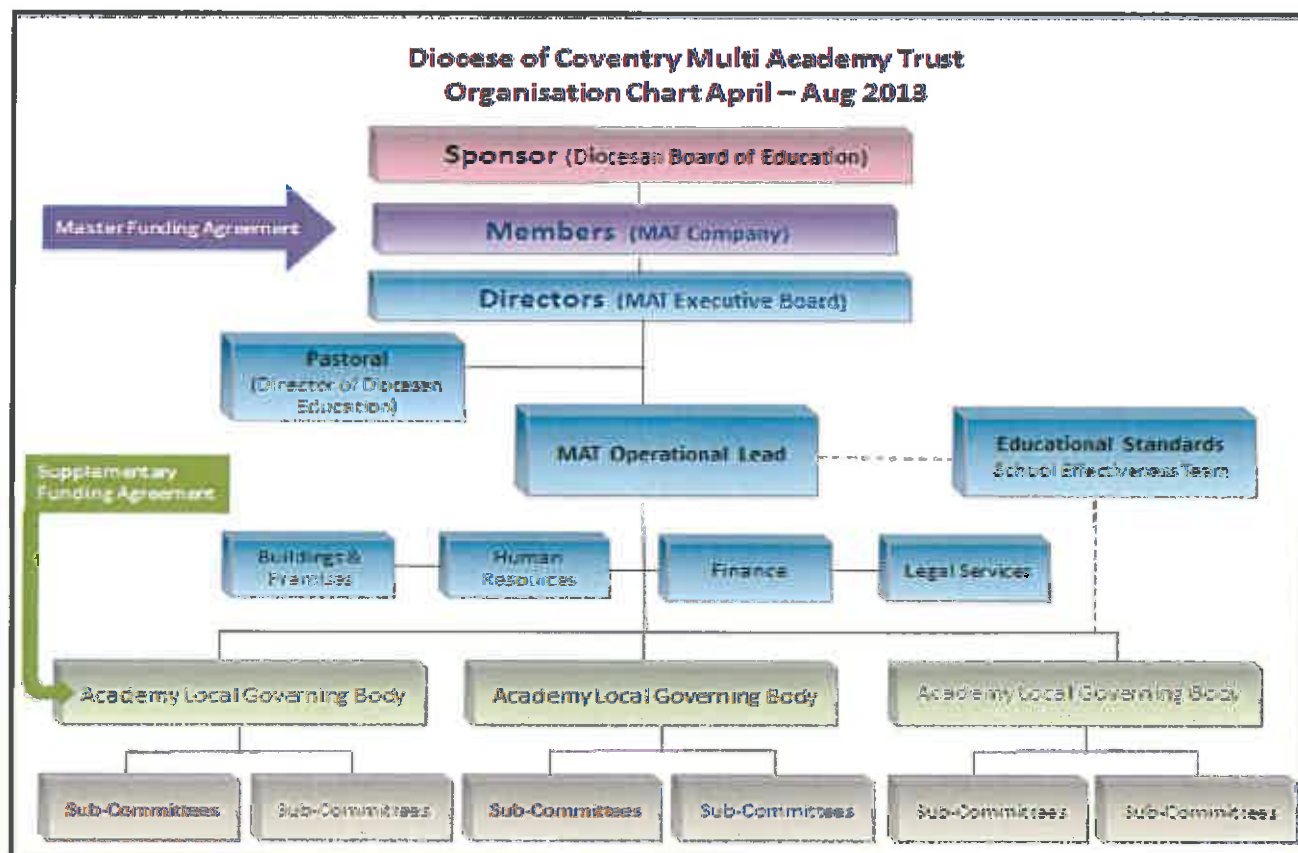
With regard to Parent and Staff trustees, procedures are in place for nomination and election of the trustees as part of local governing bodies of the academies.

Policies and Procedures Adopted for the Induction and Training of Trustees

An induction pack containing relevant documentation needed to undertake the role is evolving and will be updated regularly so that it can be provided to all newly appointed trustees. The induction pack describes their role as a trustee and gives some basic information about the academies including the local governing bodies. Training for trustees is undertaken depending on their experience.

TRUSTEES' REPORT FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013 (cont'd)**Organisational Structure**

The structure consists of three levels: the trustees, the Senior Leadership Team and Academy Local Governing Bodies. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels whilst maintaining accountability.



The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the academies through the use of budgets and making major decisions about the direction of the academies, capital expenditure and staff appointments.

The trustees control the academies at an executive level, whilst the Senior Leadership Teams in each academy (Head teachers and Deputies) implement the policies laid down by the trustees and report back to them. The Senior Leaders are responsible, in line with the Trust Schemes of Delegation, for the authorisation of spending within agreed budgets and the appointment of the majority of staff.

Risk Management

The major risks to which the multi academy trust is exposed have been identified on the academy's Risk Register and are identified in the Financial Review on page 7. Trustees have reviewed the risks to which the multi academy trust is exposed and systems and procedures have been put in place to manage these.

Connected Organisations, including Related Party Relationships

The Diocese of Coventry Multi-Academy Trust was incorporated on 27 February 2013 and became a multi academy trust from 1 April 2013 including under its control Stretton Church of England Academy and St Laurence's Church of England Primary School. There are plans for further Church of England primary schools from the Coventry and Warwickshire area to join the multi academy trust from 1 September 2013.

TRUSTEES' REPORT FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013 (cont'd)**Objectives and Activities****Objects and Aims**

The multi academy trust's objects are specifically restricted to the following: -

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools with a designated Church of England religious character ("the Academies") offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the relevant funding agreement), and in having regard to the advice of the Diocesan Board of Education.

To achieve this, the multi academy trust identified the following aspirational and measurable outcomes for each individual academy for the period: -

- Every lesson to be good or better.
- Every child to make at least, and for many, above national expectations in both attainment and progress.
- Every academy to be well led and governed.
- All teachers motivated to self-improve and aspire to excellence.
- All academies to be judged good or better at Section 48 Inspections.

Strategies and Activities

To meet these priorities the Trust has appointed an operational team who have adopted a number of strategies and activities that include: -

- Identify with individual academies what a good and outstanding lesson look like.
- Implement a standard template for monitoring and reporting progress of each child.
- Encourage outwardly facing Senior Leaders, who seek best practice from cutting-edge and innovative schools (both within the Multi-Academy Trust but also with the wider Diocese of Coventry).
- Introduce and embed the Diocesan school improvement model to develop quality teaching within the academies.
- Work in partnership with the Diocesan Board of Education to develop the Christian distinctiveness of each Academy so that they can provide an inspirational and holistic education which enables all children and staff to develop and achieve to their full potential.
- Offer central support with recruitment of staff, particularly in the areas of finance and senior leadership.

Public Benefit

Trustees have consideration to the Charity's Commission's general guidance on public benefit and in particular to its supplementary guidance on education. As noted above, the multi academy trust's objective is to advance for the public benefit education in the United Kingdom.

Achievements and Performance

The Diocese of Coventry Multi Academy Trust achievements in 2012-13 include:

- conversion of 2 schools to academy status (Stretton and St. Laurence's)
- the ongoing work undertaken in developing a shared services model to realise economies of scale and reduce costs for the academies
- the ongoing close working relationship between the academies and sponsor to share knowledge and expertise, to seek out best practice and to realise the vision of the Trust.

TRUSTEES' REPORT FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013 (cont'd)

St Laurence's Church of England Primary School and Stretton Church of England Academy are in their first year of operation as academies and they have just received their first set of Key Stage 2 results since converting to academy status.

Achievement of pupils at St. Laurence's CE Primary School

End of Key Stage 2 assessment results for last year's Year 6 showed a significant improvement from 2012 results, particularly in mathematics, which in turn saw the overall measure of level 4 in reading, writing and maths rise by 16%. These results are a great credit to all of the Year 6 team but especially the children.

The new GAPS (Grammar and Punctuation, Spelling) test results were below city and national averages and there is a focus for the coming year to investigate how pupils are prepared for this test in future years. The other major area of focus for the future is the performance of the most able pupils as the proportion of children achieving the higher Level 5 at St. Laurence's is low in all subjects.

Achievement of pupils at Stretton Church of England Academy

Whilst the final end of key stage results were disappointing in comparison to national expectations, the progress made by children in Year 6 was outstanding in every subject. This is testimony to the quality teaching and support from the Year 6 team and to the efforts of the children. Unfortunately this outstanding progress was insufficient to make up for the lack of progress by this cohort during their previous 3 years and the focus for 2013/14 academic year will be clearly on the progress made throughout KS2, rather than rely on the final year.

Going Concern

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

Key Financial Performance Indicators

The trust established a financial budget at the start of the year and then monitored performance against budget during the period. Further financial and non-financial indicators will be introduced as the trust develops. It is anticipated that benchmarking will be a key tool in ensuring the academy is delivering value for money.

Stretton Church of England Academy	2013
Pupil numbers	172
Staff costs as a % of revenue income received from EFA*	76%
Staff costs as a % of total revenue grant income*	76%
Staff costs as a % of total costs*	69%
Capital expenditure per pupil	-
 St Laurence's Church of England Primary School	 2013
Pupil numbers	356
Staff costs as a % of revenue income received from EFA*	72%
Staff costs as a % of total revenue grant income*	72%
Staff costs as a % of total costs*	71%
Capital expenditure per pupil	-

* % adjusted for the LGPS pension liability inherited on 1 April 2013

Financial Review and Principal Risks**Overview**

The principal source of funding for the academy is the General Annual Grant together with the start up grant.

Most of the multi academy trust's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2013 and the associated expenditure are shown as restricted funds in the statement of financial activities.

TRUSTEES' REPORT FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013 (cont'd)

The multi academy trust also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

At 31 August 2013 the net book value of fixed assets was £4,451,000 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Local Government Pension Scheme (LGPS) figures as at 31 August 2013 are based on projecting forward the estimated position at 1 April 2013 and assuming that the experience over the period, apart from investment returns, has been in line with the assumptions made at the start of the period.

The estimated FRS17 deficit at 31 August 2013 is £941,000 which compares to a deficit of £988,000 at 1 April 2013. The main reason for the decrease in the deficit is because of:

- lower assumed rate of salary increases;
- higher assumed rate of future deferred pension revaluation and pension increases in payment;
- the difference between employer contributions and the service cost over the year;
- asset return over the year different to assumptions;
- assets at the date of admission to the fund were on a partially funded rather than fully funded basis;
- increased longevity of retiring members.

It should be noted that the balance sheet, profit and loss and statement of recognised gains and losses figures will be volatile over time. This is generally because the FRS17 liabilities are largely linked to corporate bond yields whereas the scheme invests a large part of its assets in equities.

Financial and Risk Management Objectives and Policies

The Trust's financial and risk management objectives are documented in its:

- Official budgets
- Scheme of delegation
- Financial regulations
- Risk management policy

These documents are available on request, and particular items which warrant specific disclosure are noted within this annual report.

Principal Risks and Uncertainties

The board has considered the risks faced by the trust throughout its normal operational business. It has sought to address the risks faced by the trust by establishing appropriate governance and management arrangements, including the appointment of senior staff and other managers, and establishing robust operational policies. The board considers that these arrangements have been effective throughout the period being reported.

The board intends to build on this success by establishing a formal risk management policy, which will formally document the managerial action that is taking place, and should enable future risk management to

At the time of reporting, the trust's identified key risks are:

- The risk of achievement in core subjects being below expectations;
- Complying with legislative requirements regarding employment law, data protection, discrimination, Companies House and HMRC, child protection and safeguarding, the Charity Commission and the National Curriculum;
- Financial Risk - not operating within budget and running a deficit, changes in funding, falling pupil numbers, inappropriate or insufficient financial controls and systems, fraudulent activity and/or financial commitments made without adequate authorisation;
- Operational risks resulting from inexperienced or inappropriate staff being employed and inaccurate, out of date or inappropriate information;
- Condition of buildings acting as a barrier to achievement.

TRUSTEES' REPORT FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013 (cont'd)

Mitigating action, both current and planned, has been identified to address these risks. This is also true of all other risks that have been formally identified which have a lower level of impact and/or likelihood.

Reserves policy

The trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of reserves for the current number of academies should be equivalent to 4 weeks expenditure, approximately £200,000. The level of reserves will be reviewed and adjusted as new academies join the multi academy trust. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Any surplus reserves built up by the Academy are earmarked to cover:

- planned capital expenditure;
- improve the quality of learning and social spaces within the academy;
- forecast increases in employer contributions to the Local Government Pension Scheme.

Financial position

The Academy held fund balances at 31 August 2013 of £3,714,000, after allowing for the pension deficit of £941,000; comprising £4,464,000 of restricted funds and £191,000 of unrestricted general funds.

Investment Policy

All investments are made in accordance with the policy of the trust. The trust's policy on investments are one of minimum risk with all investments being held with the trust's bankers. The trust will nevertheless seek to maximise interest receipts within this arrangement. This policy will be reviewed in the year ending 31 August 2014. Investments are made with regard to Charity Commission guidance in relation to investments.

Plans for future periods

The deficit position of the Local Government Pension Scheme may result in an increase in employers pension contributions over a period of years. It is intended that the Academy will revisit its current business plans and budgets and ascertain how the pension costs might impact on the budgets in the future.

Auditors

In so far as the trustees are aware:

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

The auditors, UHY Hacker Young (Birmingham) LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' Report was approved by the trustees on 19 December 2013 and signed on their behalf by:

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Dr R H Pogson

Chair of Trustees

19 December 2013

GOVERNANCE STATEMENT FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013**Scope of Responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that The Diocese of Coventry 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

The board of trustees has delegated the day-to-day responsibility to each of the academy headteachers S Bates and M Moore, 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 The Diocese of Coventry 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 4 times during the period since academy conversion on 1 April 2013. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a Possible
Dr R H Pogson - Chair	4	4
A J Kennedy	4	4
S J Lloyd	4	4
H J Brookes	-	4
M C Cleveland	2	4
E Leech	1	4
M F Owen	1	4

* the Articles of Association stipulate that 3 Trustees is the number to be quorate at any meeting.

At this stage of the multi academy trust, discussions about **resources and finance**, with the purpose of developing the strategic direction and governance procedures on financial matters, are dealt with by all trustees at full board meetings.

GOVERNANCE STATEMENT FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013 (Cont'd)**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of multi 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 The Diocese of Coventry Multi-Academy Trust for the period ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees is reviewing the key risks to which the multi 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 multi academy trust's significant risks that has been in place for the period ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The Diocese of Coventry Multi-Academy Trust 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 body;
- regular reviews by the board of trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint an internal auditor, Warwickshire Education Services. The internal auditor role includes giving advice on financial matters and performing a range of checks on the multi academy trust's financial systems. On a termly basis, the internal auditor will provide a report to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees financial responsibilities. During the period the internal auditor has not reported as the MAT was established on 1 April 2013, although it is planned that checks will be carried out on a termly basis from 1 September 2013.

GOVERNANCE STATEMENT FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013 (Cont'd)**Review of Effectiveness**

As Accounting Officer, of The Diocese of Coventry Multi-Academy Trust, the Chair of the board of trustees has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the multi 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 the board of trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 19 December 2013 and signed on its behalf by:

[Signed]



Dr R H Pogson
Chair of Trustees & Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013

As accounting officer of The Diocese of Coventry Multi-Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

[Signed]



Dr R H Pogson
Accounting Officer

19 December 2013

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013

The trustees (who act as governors of The Diocese of Coventry Multi-Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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 in the Charities SORP;
- make judgments and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy 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 the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 19 December 2013 and signed on its behalf by:

[Signed]



Dr R H Pogson
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DIOCESE OF COVENTRY MULTI-ACADEMY TRUST FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013

We have audited the financial statements of The Diocese of Coventry Multi-Academy Trust for the period ended 31 August 2013 which comprise the Statement of Financial Activities, the Income and Expenditure account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Accounts Direction 2013 issued by the Education Funding Agency.

This report is made solely to the multi 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 multi academy trust's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the multi academy trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 16, the trustees (who are also the directors of the multi 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the multi academy trusts circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the multi academy trust's affairs as at 31 August 2013 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 and the Annual Accounts Direction 2013 issued by the Education Funding Agency.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DIOCESE OF COVENTRY MULTI-ACADEMY TRUST FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013 (cont'd)**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept; or
- 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 audit.



.....
Malcolm Winston

Senior Statutory Auditor

UHY Hacker Young (Birmingham) LLP, Statutory Auditor

9-11 Vittoria Street

Birmingham

B1 3ND

19 December 2013

INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO THE DIOCESE OF COVENTRY MULTI-ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY FOR THE PERIOD ENDED 27 FEBRUARY 2013 TO 31 AUGUST 2013

In accordance with the terms of our engagement letter dated 24 July 2013 and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2013 we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by the multi academy trust during the period 27 February 2013 to 31 August 2013 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 the Diocese of Coventry Multi-Academy Trust and the EFA in accordance with our engagement letter. Our review has been undertaken so that we might state to the governing body and the EFA those matters we are required to state to it 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 the The Diocese of Coventry Multi-Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Diocese of Coventry Multi-Academy Trust's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of The Diocese of Coventry Multi-Academy Trust funding agreement with the Secretary of State for Education dated 26 March 2013, and the Academies Financial Handbook extant from 1 September 2012 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 2013. 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 period 27 February 2013 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies: Accounts Direction 2013 issued by the EFA. 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 multi academy trust's income and expenditure.

Summary of the work undertaken was as follows:

- Analytical review of the multi academy trust's general activities are within the multi academy trusts framework of authorities;
- Consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;

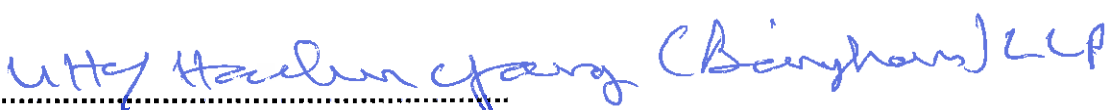
**INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO
THE DIOCESE OF COVENTRY MULTI-ACADEMY TRUST AND THE EDUCATION FUNDING
AGENCY FOR THE PERIOD ENDED 27 FEBRUARY 2013 TO 31 AUGUST 2013**

Approach (con't)

- Review of the general control environment for the multi academy trust on financial statements and on regularity;
- Sample testing of expenditure transactions to ensure the activity is permissible within the multi academy trust's framework of authority;
- Confirmation that a sample of expenditure has been appropriately authorised in accordance with the multi academy trust's delegated authorities;
- Formal representations obtained from the board of trustees and the accounting officer acknowledging the responsibilities including disclosing all non compliance with laws and regulations specific to the authorising framework;
- Confirmation that any extra contractual payments such as severance and compensation payments have been appropriately authorised;
- Review of credit card expenditure for any indication of personal use by staff, principal or trustees;
- Review of specific terms of grant funding within the funding agreement;
- Review of related party transactions for connections with the principal/finance manager or trustees;
- Review of income received in accordance with the activities permitted within the multi academy trust's charitable objectives.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 27 February 2013 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



UHY Hacker Young (Birmingham) LLP
9-11 Vittoria Street
Birmingham
B1 3ND

19 December 2013

STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013
(Including Statement of Total Recognised Gains and Losses)

		Unrestricted	Restricted	Restricted	Total
	Note	Funds	General	Fixed	Total
		£'000	Funds	Asset	27.02.13
			£'000	Funds	to 31.08.13
				£'000	£'000
Incoming resources					
<i>Incoming resources from generated funds:</i>					
- Voluntary income					
Trf'd from local authority on conversion	3	214	-	4,479	4,693
School fund	3	-	12	-	12
- Activities for generating funds	4	23	-	-	23
- Investment income	5	-	-	-	-
<i>Incoming resources from charitable activities:</i>					
- Funding for the multi academy trust's educational operations	6	-	1,117	-	1,117
Total incoming resources		237	1,129	4,479	5,845
Resources expended					
<i>Cost of generating funds:</i>					
- Costs of generating voluntary income					
- Investment management costs					
<i>Charitable activities:</i>					
- multi academy trust's educational operations	7 & 8	46	2,046	28	2,120
Governance costs	9	-	80	-	80
Total resources expended	7	-	2,126	28	2,200
Net incoming/(outgoing) resources before transfers		191	(997)	4,451	3,645
Gross transfers between funds	16	-	-	-	-
Net income/(expenditure) for the year		191	(997)	4,451	3,645
Other recognised gains and losses					
Actuarial gain on defined benefit pension schemes	26	-	69	-	69
Net movement in funds		191	(928)	4,451	3,714
Reconciliation of funds					
Funds brought forward at 27 February 2013		-	-	-	-
Funds carried forward at 31 August 2013	16	191	(928)	4,451	3,714

All of the multi academy trust's activities derive from acquisitions and continuing operations during the above financial period.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

THE DIOCESE OF COVENTRY MULTI-ACADEMY TRUST
INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013

		Total 27 February 2013 to 31 August 2013 £'000
	Note	
Income		
DfE/EFA General annual grant (GAG)	2 & 6	1,057
Other DfE/EFA grants	6	60
Other government grants	6	-
Funds generation	4	23
Other income	3	4,705
Total income		<u>5,845</u>
Expenditure		
Staff costs	7	1,829
Non pay expenditure		
- Premises	7	29
- Supplies and services	7	245
- Other	7	69
Depreciation	7 & 14	28
Total expenditure	7	<u>2,200</u>
Net income for the period		<u><u>3,645</u></u>

The income and expenditure account is derived from the statement of financial activities on page 19 which, together with the notes to the financial statements on pages 23 to 42 provides full information on the movements during the period on all the funds of the multi academy trust.

All of the multi academy trust's activities derived from acquisitions and continuing operations during the above financial period.

THE DIOCESE OF COVENTRY MULTI-ACADEMY TRUST
BALANCE SHEET AS AT 31 AUGUST 2013

	Note	2013 £'000
Fixed assets		
Tangible assets	14	4,451
		<u>4,451</u>
Current assets		
Debtors	15	337
Cash at bank and in hand		243
		<u>580</u>
Current liabilities		
Creditors: Amounts falling due within one year	16	(376)
Net current assets		<u>204</u>
Total assets less current liabilities		<u>4,655</u>
Net assets excluding pension liability		<u>4,655</u>
Pension scheme liability	27	(941)
Net assets including pension liability		<u>3,714</u>
Funds of the Academy:		
Restricted funds		
- Restricted fixed asset fund	17	4,451
- Restricted general fund	17	13
- Pension reserve	17	(941)
Total Restricted Funds		<u>3,523</u>
Unrestricted funds		
- General fund	17	191
Total Unrestricted Funds		<u>191</u>
Total		<u>3,714</u>

The financial statements on pages 19 to 22 were approved by the trustees and authorised for issue on 19 December 2013 and signed on their behalf by:

.....
Dr R Pogson
Chair of Trustees

Rex H Pogson

CASH FLOW STATEMENT FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013

	Notes	2013 £'000
Net cash inflow from operating activities	21	17
Cash transferred on conversion to a multi academy trust	29	226
Returns on investments and servicing of finance	22	-
Capital expenditure	23	-
Increase in cash in the year	24	<u>243</u>
Reconciliation of net cash flow to movement in net funds		
Net funds at 27 February 2013	24	-
Net funds at 31 August 2013	24	<u><u>243</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013**1 Statement of Accounting Policies****Basis of Preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Conversion of State Maintained School to a Multi Academy Trust

The conversion from a state maintained school to an multi academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from The Diocese of Coventry Multi-Academy Trust to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for The Diocese of Coventry Multi-Academy Trust Limited. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income/ net expenditure in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transactions are set out in note 29.

Going Concern

The trustees 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 company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming Resources

All incoming resources are recognised when the multi academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants receivable**

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is

- **Sponsorship income**

Sponsorship income provided to the multi academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

- **Donations**

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

- **Other income**

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

- **Donated services and gifts in kind**

The value of donated services and gifts in kind provided to the multi academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the multi academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with multi academy trust's policies.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013 (cont'd)

• Transfers of leasehold property

Leasehold property transferred to the Academy from the local authority at little or no consideration will be revalued at open market value in accordance with the accounting standard FRS15 Tangible Fixed Assets every 5 years. This value will be recognised as incoming resources in the Statement of Financial Activities and will be included in the appropriate fixed assets category and depreciated over the life of the lease.

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

• Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

• Charitable activities

These are costs incurred on the multi academy trust's educational operations.

• Governance Costs

These include the costs attributable to the multi academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

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. The related grants are credited to a restricted fixed asset fund (in the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged in the Statement of Financial Activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Assets costing less than £1,000 are written off in the year of acquisition. All other assets are capitalised.

Depreciation

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on leasehold land where the lease is more than 20 years. The principal annual rates used for other assets are:

Leasehold buildings	2.00%
Furniture and equipment	10% -15%
Computer equipment and software	33.33%

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013
(cont'd)****Depreciation (continued)**

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

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

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Taxation

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

Pensions Benefits

Retirement benefits to employees of the multi academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the multi academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the multi 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 quinquennial valuations using a prospective benefit method. As stated in Note 26, the TPS is a multi employer scheme and the multi academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the multi 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the multi 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 Education Funding Agency/Department for Education and other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013 (cont'd)

2 GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the multi academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013. (See note 17)

3 VOLUNTARY INCOME

	Unrestricted Funds	Restricted Funds	Total 27 February 2013 to 31 August 2013
	£'000	£'000	£'000
CCC fixed assets donation	-	4,479	4,479
CCC prior years surplus b/fwd	214	-	214
School fund	-	12	12
	<u>214</u>	<u>4,491</u>	<u>4,705</u>

4 ACTIVITIES FOR GENERATING FUNDS

Consultancy support	20	-	20
Sundry income	3	-	3
	<u>23</u>	<u>-</u>	<u>23</u>

5 INVESTMENT INCOME

Bank interest received	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

6 FUNDING FOR THE MULTI ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds	Restricted Funds	Total 27 February 2013 to 31 August 2013
	£'000	£'000	£'000
DfE/EFA Capital grants			
. Devolved formula capital grant	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
DfE/EFA Revenue grants			
. General annual grant (GAG) (note 2)	-	1,057	1,057
. Pupil premium grant	-	54	54
. Other DfE/EFA grant	-	6	6
	<u>-</u>	<u>1,117</u>	<u>1,117</u>
	<u>-</u>	<u>1,117</u>	<u>1,117</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013
(cont'd)

7 RESOURCES EXPENDED

	Staff Costs	Non Pay Expenditure		27 February 2013 to 31 August 2013 Total £'000
		Premises	Other Costs	
	£'000	£'000	£'000	£'000
Costs of generating voluntary income	-	-	-	-
Academy's educational operations				
Direct costs	716	-	30	746
Allocated support costs	1,113	57	204	1,374
	1,829	57	234	2,120
Governance costs including allocated support costs	-	-	80	80
	-	-	80	80
	1,829	57	314	2,200
Incoming/outgoing resources for the year include:				£'000
Operating leases				14
Fees payable to auditor		Audit of financial statements		6
		Other audit costs		-

8 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds	Restricted Funds	Total 27 February 2013 to 31 August 2013 £'000
	£'000	£'000	£'000
DIRECT COSTS			
Teaching and educational support staff costs	-	716	716
Capitation including books	-	8	8
Materials	-	11	11
Examination fees	-	1	1
Staff development and training	-	4	4
College fees	-	1	1
Music instruction	-	4	4
Other direct costs	-	1	1
	-	746	746

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013
(cont'd)

8 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS (cont'd)

	Unrestricted Funds	Restricted Funds	Total 27 February 2013 to 31 August 2013
	£'000	£'000	£'000
ALLOCATED SUPPORT COSTS			
Support staff costs	-	1,113	1,113
Depreciation	-	28	28
Building maintenance	-	28	28
Electricity	-	7	7
Gas	-	5	5
Water rates	-	7	7
General rates	-	3	3
Postage	-	1	1
Printing, stationery and reprographics	-	2	2
Security and transport	-	6	6
Insurance	-	36	36
Coventry City Council (CCC) - catering, ICT, finance and personnel services	-	80	80
Advertising and publicity	-	1	1
Equipment - other	-	14	14
Furniture	-	5	5
Contracts, leases and rentals	-	1	1
Cleaning and janitorial contracts	-	12	12
Refuse collection	-	1	1
Ground maintenance	-	7	7
Telephones	-	3	3
ICT - software and PFI licences	-	10	10
Other support costs	-	4	4
		<u>1,374</u>	<u>1,374</u>

	Unrestricted Funds	Restricted Funds	Total 27 February 2013 to 31 August 2013
	£'000	£'000	£'000
9 GOVERNANCE COSTS			
Legal and professional fees	-	73	73
Audit of financial statements	-	6	6
Other audit costs	-	-	-
Responsible officer services	-	-	-
Accountancy and other services	-	1	1
		<u>80</u>	<u>80</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013 (cont'd)

10 STAFF COSTS

	27 February 2013 to 31 August 2013
Staff costs during the period were:	£'000
Wages and salaries	606
Social security costs	40
Other pension costs	1,102
	<u>1,748</u>
Supply teachers costs	81
Compensation payments	-
	<u>1,829</u>

The average number of persons (including senior management team) employed by the Academy during the period ended 31 August 2013 expressed as full time equivalents was as follows:

	27 February 2013 to 31 August 2013
Charitable Activities	No
Teachers	37
Administration and support	24
Management	13
	<u>74</u>
Governance activities	-
	<u>74</u>

There were no employees whose emoluments were more than £60,000 during the period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013 (cont'd)

11 CENTRAL SERVICES

The multi academy trust has provided the following central services to Stretton Church of England Academy and St Laurence's Church of England Primary School during the period:

- human resources;
- financial services;
- legal services;
- educational support services;
- accounting services;

The multi academy trust charges for these services a flat percentage of 5% of all general annual grant and LACSEG income.

The actual amounts charged during the period were as follows:

	27 February 2013 to 31 August 2013 £'000
Stretton Church of England Academy	20
St Laurence's Church of England Primary School	33
	<u>53</u>

12 RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

The Headteachers at each school receive remuneration in respect of services they provide undertaking the role of Headteacher and are not trustees. The trustees of the multi academy trust did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the period ended 31 August 2013 there were no travel and subsistence expenses reimbursed to the trustees.

13 TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees' and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2013 was £1,518. The cost of this insurance is included in the total insurance cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013 (cont'd)

14 TANGIBLE FIXED ASSETS

	Leasehold Land & Buildings £'000	Furniture & Equipment £'000	Computer Equipment £'000	Total £'000
Cost				
At 27 February 2013	-	-	-	-
Transfer on conversion	4,479	-	-	4,479
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 August 2013	<u>4,479</u>	<u>-</u>	<u>-</u>	<u>4,479</u>
Depreciation				
At 27 February 2013	-	-	-	-
Charged in period	28	-	-	28
Disposals	-	-	-	-
At 31 August 2013	<u>28</u>	<u>-</u>	<u>-</u>	<u>28</u>
Net book value				
At 31 August 2013	<u>4,451</u>	<u>-</u>	<u>-</u>	<u>4,451</u>

On 1 April 2013 the academy's leasehold land and buildings were donated to the academy by Coventry City Council (CCC) on 125 year lease at a pepper corn rent. On 31 August 2013 an existing use valuation and useful asset life assessment was prepared by Mr M Swallow MRICS the Strategic Land Advisor at Solihull Metropolitan Borough Council in accordance with the requirements of the accounting standard FRS15 Tangible Fixed Assets that the leasehold land and buildings gifted had a depreciated replacement cost value of £2,097,000 at Stretton Church of England Academy and £2,354,000 at St Laurence's Church of England Primary School.

	2013 £'000
15 DEBTORS	
Trade debtors	21
VAT recoverable	51
Other debtors	248
Prepayments	17
	<u>337</u>
16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	
Trade creditors	38
Taxation and Social Security	18
Other creditors	1
Accruals	104
Deferred income	215
	<u>376</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013
(cont'd)**

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (Continued)

Deferred Income	2013 £'000
Deferred income at 27 February 2013	-
Resources deferred in the year	215
Amounts released from previous years	-
Deferred income at 31 August 2013	215

At the balance sheet date the academy was holding funds received in advance for 2013/14 by Central Services: start up grant - Harris Academy £88,906 and start up grant - St Bartholomew's Church of England Academy £27,577; Stretton Church of England Academy: devolved formula capital £5,856 and school improvement grant £37,400; St Laurence's Church of England Primary School: insurance grant £11,244, devolved formula capital £7,814 and school improvement grant £36,800.

17 FUNDS

The income funds of the academy comprise the following balances of grants to be applied for specific purposes:

	Balance at 27 February 2013 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2013 £'000
Restricted general funds					
General annual grant (GAG) (note i)	-	1,057	(1,056)	-	1
Pupil premium grant (note ii)	-	54	(54)	-	-
School improvement grant (note iii)	-	6	(6)	-	-
School funds (note iv)	-	12	-	-	12
	-	1,129	(1,116)	-	13
Restricted fixed asset funds					
Fixed assets donation (note v)	-	4,479	(28)	-	4,451
Total restricted funds	-	4,479	(28)	-	4,451
Restricted pension scheme liability					
Pension reserve (note vi)	-	-	(1,010)	69	(941)
	-	-	(1,010)	69	(941)
Total restricted funds	-	5,608	(2,154)	69	3,523
Unrestricted funds					
Unrestricted funds	-	22	(20)	-	2
CCC prior years surplus b/fwd	-	215	(26)	-	189
Total unrestricted funds	-	237	(46)	-	191
Total Funds	-	5,845	(2,200)	69	3,714

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013 (cont'd)

17 FUNDS (Continued)

Notes

- i) General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the multi academy trust was not subject to a limit on the amount of GAG that it would carry forward at 31 August 2013. (see note 2)
- ii) Pupil premium grant has been used to support children from low income families placed at the MAT.
- iii) School improvement grant has been used to provide leadership support, curriculum redesign and staff restructuring.
- iv) School funds are contributions received from parents which are used to support the multi academy trust's activities.
- v) Restricted fixed assets were funded by Coventry City Council donating academy land and buildings on a 125 year lease at a pepper corn rent.
- vi) The pension reserve represents the deficit on the Local Government Pension Scheme (see note 27)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2013 were allocated as follows:

	Total £'000
Stretton Church of England Academy	88
St Laurence's Church of England Primary School	136
Central services	(20)
Total before fixed assets and pension reserve	<u>204</u>
 Restricted fixed assets fund	 4,451
Pension reserve	(941)
	<u>3,510</u>
 Total	 <u><u>3,714</u></u>

Central Services is carrying a deficit of £20,068 on these funds as start up costs have been greater than income received. However, forecast income for 2014 is expected to increase as further Church of England schools from the Coventry area join the multi academy trust from 1 September 2013.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013 (cont'd)

17 FUNDS (Continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (excluding Depreciation) £'000	Total £'000
Stretton Church of England	270	403	15	93	781
St Laurence's Church of England	446	708	15	149	1,318
Central services	-	2	-	71	73
Multi Academy Trust	716	1,113	30	313	2,172

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2013 are represented by:

	Unrestricted Funds £'000	Pension Restricted Funds £'000	General Restricted Funds £'000	School Fund Restricted Funds £'000	Fixed Assets Restricted Funds £'000	Total £'000
Tangible fixed	-	-	-	-	4,451	4,451
Current assets	191	-	377	12	-	580
Current liabilities	-	-	(376)	-	-	(376)
Pension scheme liability	-	(941)	-	-	-	(941)
	191	(941)	1	12	4,451	3,714

19 CAPITAL COMMITMENTS

2013

£'000

Contracted for, but not provided in the financial statements

Nil

Authorised by trustees, but not yet contracted

Nil

20 FINANCIAL COMMITMENTS

Operating

At 31 August 2013 the multi academy trust had annual commitments under non-cancellable operating leases as follows:

	Other £'000
Operating leases	
. Within one year	-
. Within two to five years	14
	14

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013 (cont'd)

21 RECONCILIATION OF NET INCOME TO CASH INFLOW FROM OPERATING ACTIVITIES

	2012
	£'000
Net income	3,645
Depreciation (note 14)	28
Cash transferred on conversion to an multi academy trust	(226)
Fixed assets donation	(4,479)
Capital grants from DfE and other capital income	-
Interest receivable	-
FRS 17 pension cost less contributions payable (note 27)	996
FRS17 pension finance cost (note 27)	14
Increase in debtors	(337)
Increase in creditors	376
Net cash inflow from operating activities	17

22 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

Interest received	-
Net cash inflow from returns on investment and servicing of finance	-

23 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

Purchase of tangible fixed assets	-
Capital grants from DfE/EFA	-
Capital funding received from sponsors and others	-
Receipts from sale of tangible fixed assets	-
Net cash outflow from capital expenditure and financial investment	-

	At 27 February 2013 £'000	Cash flows £'000	At 31 Aug 2013 £'000
24 ANALYSIS OF CHANGES IN NET FUNDS			
Cash in hand and at bank	-	243	243
	-	243	243

25 CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to :

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

26 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013 (cont'd)**27 PENSION AND SIMILAR OBLIGATIONS**

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff and the Local Government Pension Scheme (LGPS) for non-teaching staff which is managed by Warwickshire County Council Pension Fund. Both are defined benefit schemes.

As described in note 27 the LGPS obligation relates to the employees of the multi academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the multi academy trust at the balance sheet date.

The total pension cost to the Academy during the period ended 31 August 2013 was £1,102,038 of which £53,789 relates to the TPS and £1,048,249 relates to LGPS.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010.

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

Teachers' Pension Scheme**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. 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 are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis - these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act.

The Teacher's Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate ("SCR") was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013 (cont'd)

27 PENSION AND SIMILAR OBLIGATIONS (continued)

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return is 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

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

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

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

In his interim report to October 2010, Lord Hutton recommended that short term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014/15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013 (cont'd)

27 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in a separate trustee administered funds. The total contributions made for the period ended 31 August 2013 was £1,060,125 of which employers contributions totalled £1,048,249 and employees contributions totalled £11,876. The agreed contributions for future years are 15% for Stretton Church of England Academy and 13.4% for St Laurence's Church of England Primary School for employers and 6.5% for both schools 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 liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal Actuarial Assumptions

The major assumptions used by the actuary were:

	At 31 August 2013	Admission date At 1 April 2013
	% per annum	% per annum
Discount rate	4.5%	4.2%
Inflation assumption (CPI)	2.4%	2.4%
Salary increases	4.2%	4.2%
Pension increase	2.4%	2.4%

Sensitivity analysis for the principal assumptions used to measure the scheme liabilities were as follows:

	At 31 August 2013
	Approx Change to Employers Liability £'000
Discount rate increased by 0.1% per annum	(26)
Assumed CPI inflation increased by 0.1% per annum	26
Life expectancy at retirement increased by 1 year	27

The mortality assumptions used were as follows:

	At 31 August 2013	Admission date At 1 April 2013
	years	years
Longevity at age 65 retiring today		
- Men	22.1	22.0
- Women	24.8	24.7
Longevity at age 65 retiring in 20 years		
- Men	23.9	23.8
- Women	26.7	26.6

THE DIOCESE OF COVENTRY MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013 (cont'd)
27 PENSION AND SIMILAR OBLIGATIONS (cont'd)
Local Government Pension Scheme (Continued)

The Academy's share of the assets and liabilities in scheme and the expected rate of return were:

	Expected return at 31 August 2013	Fair value at 31 August 2013 £'000	Expected return at 1 April 2013	Fair value at admission date at 1 April 2013 £'000
Equities	7.0%	238	7.0%	214
Government Bonds	3.4%	46	2.8%	42
Other Bonds	4.4%	62	3.9%	56
Property	5.7%	49	5.7%	44
Cash	0.5%	22	0.5%	21
Other	7.0%	140	7.0%	127
Total assets		557		504
Present value of scheme liabilities				
- Funded		(557)		(504)
- Unfunded		(941)		(988)
Total liabilities		(1,498)		(1,492)
Deficit in the scheme		(941)		(988)

None of the fair values of the assets shown above include any of the academy's own financial instruments or any property occupied by, or other assets used by, the academy.

The expected long term return on cash is equal to bank base rates. The expected return on bonds is determined by reference to UK long dated gilt and bond yields. The expected rate of return on equities and property have been determined by setting an appropriate risk premium above gilt/bond yields having regard to market conditions.

The actual return on the scheme assets in the year was £3,000.

Amounts recognised in the Statement of Financial Activities

	2013 £'000
Deficit at conversion to academy	988
Current service cost	46
Past service cost	-
Total operating charge	1,034

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 FEBRUARY 2013 TO 31 AUGUST 2013 (cont'd)

27 PENSION AND SIMILAR OBLIGATIONS (Continued)**Local Government Pension Scheme (Continued)**

	2013 £'000
Analysis of pension finance (income)/costs	
Expected return on pension scheme assets	(13)
Interest on pension liabilities	27
Pension finance cost/(income)	<u>14</u>

The Actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £69,000 gain.

	2013 £'000
Movement in deficit during the period	
Balance at admission date 1 April 2013	988
Movement in year:	
- Employer service cost (net of employee contributions)	46
- Employer contributions	(38)
- Expected return on scheme assets	(13)
- Interest cost	27
- Actuarial gains	(69)
Deficit in the scheme at 31 August 2013	<u>941</u>

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

	2013 £'000
Scheme liabilities at 1 April 2013	1,492
Current service cost	46
Interest cost	27
Contributions by scheme participants	12
Benefits paid	-
Actuarial gains	(79)
Scheme liabilities at 31 August 2013	<u>1,498</u>

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

	2013 £'000
Fair value of scheme assets at 1 April 2013	504
Expected return on scheme assets	13
Actuarial losses	(10)
Contributions by employer	38
Benefits paid	-
Contributions by scheme participants	12
Fair value of scheme assets at 31 August 2013	<u>557</u>

The estimated value of employer contributions for the year ended 31 August 2014 is £94,000.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013 (cont'd)

27 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Local Government Pension Scheme (Continued)

The 5 year history of experience adjustments is as follows:

		Admission date 1 April 2013 £'000	2013 £'000
Fair value of assets		557	504
Present value of scheme liabilities		1,498	1,492
Deficit in scheme		(941)	(988)
Experience adjustment on scheme assets		(10)	
Percentage of scheme assets		(1.8%)	
Experience adjustment on scheme liabilities		-	
Percentage of scheme liabilities		0.0%	
Actuarial gain recognised in Statement of Financial Activities		69	
Percentage of scheme liabilities		4.6%	

Only one years figures are available as the charitable company was established on 27 February 2013 and became an academy from 1 April 2013.

28 RELATED PARTY TRANSACTIONS

Owing to the nature of the multi academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures. During the period ended 31 August 2013 there were no such transactions.

THE DIOCESE OF COVENTRY MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 27 FEBRUARY 2013 TO 31 AUGUST 2013 (cont'd)

29 CONVERSION TO AN ACADEMY TRUST

On 1 April 2013 The Diocese of Coventry Multi-Academy Trust converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Diocese of Coventry Multi-Academy Trust from Coventry City Council for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding not amount recognised as net income/resources expended in the Statement of Financial Activities as voluntary income/other resources expended.

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

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Leasehold land and buildings	-	-	4,479	4,479
Budget surplus on LA funds	214	-	-	214
Budget surplus school funds	-	12	-	12
LGPS pension deficit	-	(941)	-	(941)
Net assets / (liabilities)	214	(929)	4,479	3,764

The above net assets/liabilities include £226,156 that were transferred as cash.

On 1 April 2013 the leasehold land and buildings were transferred on a 125 year lease at a pepper corn rent from Coventry City Council to the multi academy trust.