

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

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2017

Company Limited by Guarantee
Registration Number: 08422015
(England & Wales)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, TRUSTEES AND ADVISORS

Members

Reverend C Cocksworth
 Reverend J Green (resigned 18 July 2017)
 R E Marlow (appointed 12 December 2016)
 P E Law
 L Wainscot
 E Scrivens (appointed 3 April 2017)
 S Hanson
 S Ramshaw (resigned 29 March 2016)

Trustees

P E Law - Chair
 Reverend J Green – Chair (resigned 18 July 2017)
 D Morris - Chief Executive Officer
 A R Armbrister (appointed 1 April 2017)
 R E Marlow (appointed 12 December 2016)
 L Wainscot
 J A Wade
 R H Pogson (resigned 6 March 2017)
 A J Kennedy (resigned 18 July 2017)
 R Medwell
 A E Moreton (appointed 4 October 2016)
 I Dewes

Company Secretary

J R Baker

Central MAT - Senior Management Team**Chief Executive Officer**

D Morris

Head of Finance

M Nisbet

Head of Human Resources

C Salter

Head of Operations

J Baker

Head of Education

L Nash

Stretton Church of England Academy**Executive Headteacher**

S Bates

Acting Headteacher

S Samra

St Laurence's Church of England Primary School**Executive Headteacher**

C Lucas

Head of School

J Jennings

St Bartholomew's Church of England Academy**Executive Headteacher**

C Lucas

Head of School

S Rayson

Queens Church of England Primary Academy**Headteacher**

H Carvell

Harris Church of England Academy**Headteacher**

M Stoppard

St James's Church of England Academy**Headteacher**

M Cuskelly

St Nicolas Church of England Primary School**Headteacher**

T McGeever

Studley St Mary's Church of England Academy**Headteacher**

M Ireland

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, TRUSTEES AND ADVISORS (cont'd)

St John's Church of England Academy**Headteacher**

G Watson

St Michael's Church of England Academy**Executive Headteacher**

S Bates

Headteacher

C Errington

St Oswald's Church of England Academy**Headteacher**

H Lorimer

Leamington Hastings Church of England Academy**Consultant Headteacher**

I Dewes

Principal Address

Diocese of Coventry Multi-Academy Trust
 The Benn Education Centre
 Claremont Road
 Rugby
 CV21 3LU

Academy Addresses

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

St Bartholomew's Church of England Academy
 Bredon Avenue
 Coventry
 CV3 2LP

Queens Church of England Academy
 Bentley Road
 Nuneaton
 CV11 5LR

Harris Church of England Academy
 Harris Drive
 Rugby
 CV22 6EA

St James Church of England Academy
 Barbridge Road
 Bulkinton
 CV12 9PF

St Nicolas Church of England Academy
 Windemere
 Nuneaton
 CV11 6HJ

Academy Addresses (Continued)

Studley St Mary's Church of England Academy
New Road
Studley
B80 7ND

St John's Church of England Academy
Winsford Avenue
Coventry
CV5 9HZ

St Michael's Church of England Academy
Hazel Grove
Bedworth
Warwickshire
CV12 9DA

St Oswald's Church of England Academy
Addison Road
Rugby
Warwickshire
CV22 7DJ

Leamington Hastings Church of England Academy
Birdingbury Road
Hill
Leamington Hastings
Rugby
Warwickshire
CV23 8EA

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 YEAR ENDED 31 AUGUST 2017

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2017. The trust operates a multi academy trust (MAT) for pupils aged 2 to 16 serving a catchment area in Rugby, Coventry, Bedworth, Nuneaton and Studley. The MAT comprises 12 schools with a pupil capacity and roll at September 2016 as follows for: Stretton Church of England Academy (capacity: 210, roll: 191), St Laurence's Church of England Primary School (capacity: 420, roll: 402), St Bartholomew's Church of England Academy (capacity: 442, roll: 307), Queens Church of England Primary School (capacity: 360, roll: 203), Harris Church of England Academy (capacity: 900, roll: 679), St James's Church of England Academy (capacity: 240, roll: 222), St Nicolas Church of England Primary School (capacity: 420, roll: 424), Studley St Mary's Church of England Academy (capacity: 240, roll: 216), St John's Church of England Academy (capacity: 210, roll: 197), St Michael's Church of England Academy (capacity: 395, roll: 301), St Oswald's Church of England Academy (capacity: 236, roll: 200) and Leamington Hastings Church of England Academy (capacity: 54, roll: 47).

STRUCTURE, GOVERNANCE AND MANAGEMENT**Constitution**

The Diocese of Coventry Multi-Academy Trust (DMAT) is a company limited by guarantee with no share capital (Registration Number: 08422015) 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 DMAT are also the directors of a charitable company for the purposes of company law.

Details of the trustees who served during the year are included in the Reference and Administrative Details on pages 3-5.

Members' Liability

Each member of the DMAT 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 DMAT has in place Directors and Trustees liability insurance indemnity cover to a limit of £1m.

Principal Activities

In line with the Church of England Foundation, the DMAT, works in partnership with young people, parents and carers to ensure, so far as possible, that:

- consistently good or better teaching, learning and assessment leads to every child making at least expected progress from their starting points, with some making more than expected progress
- outcomes for all academies are in line or above national expectation or are improving rapidly towards that goal
- every academy is well led and governed.
- all teachers are motivated to self-improve and aspire to excellence; and
- all academies are judged good or better at Section 48 Inspections.

Method of Recruitment and Appointment or Election of Trustees

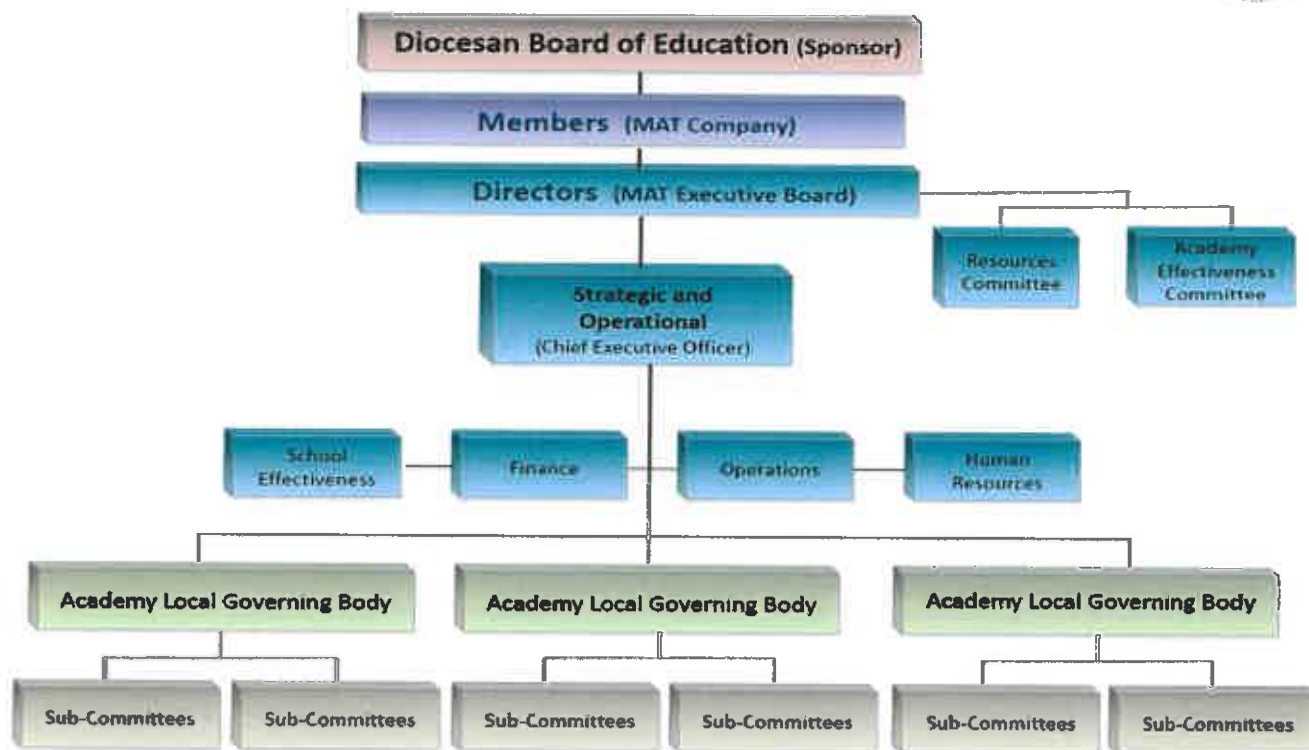
There are clearly defined and approved procedures for the selection and appointment of trustees which are outlined in the DMAT's Articles of Association. Consideration is given to the skills of trustees which would enhance the effectiveness of the DMAT. Training for trustees is undertaken depending on their experience.

With regard to Parent and Staff representation, procedures are in place for nomination and election of the local governing board members.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)**Organisational Structure**

The structure consists of the following levels: the members, the directors (trustees), the MAT officers 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.

**Diocese of Coventry Multi Academy Trust
Organisation Chart**



The trustees are responsible for upholding the Christian Foundation, 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 (Executive Head teachers, 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.

Arrangements for setting pay and remuneration of key management personnel

The DMAT Board set the pay and performance management policy annually. All staff are subject to a robust performance management process which governs pay and awards. Pay and remuneration for central staff, academy staff over the salary of £50,000 or in the post of Executive Headteacher, Headteacher or Head of School, irrespective of salary are overseen by the DMAT's Resources Committee which meets termly. Remuneration and pay arrangements are managed in line with the DMAT's policies at academy level by the local governing body.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)**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, St Laurence's Church of England Primary School, St Bartholomew's Church of England Academy, Queens Church of England Academy, Harris Church of England Academy, St James Church of England Academy, St Nicolas Church of England Academy, Studley St Mary's Church of England Academy, St Johns Church of England Academy, St Michael's Church of England Academy and St Oswald's Church of England and Leamington Hastings Church of England Academy.

OBJECTIVES AND ACTIVITIES**Objects and Aims**

The objects of the DMAT 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."

All Academies in the DMAT seek to be recognised for their distinctive and inclusive Christian ethos and for the impact that this has on raising educational standards. Each Academy will demonstrate its Christian distinctiveness by providing an inspirational and holistic education which enables all children and staff to develop and achieve to their full potential.

The DMAT seeks to achieve its aims by ensuring that its Academies are:

- transformational;
- aspirational;
- sustainable;
- motivational; and
- purposeful.

Strategies and Activities

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

- Identifying with academies what consistently good or outstanding teaching, learning and assessment looks like
- Implementing effective reporting requirements to track progress of individual and groups of pupils
- Using academy to academy support from cutting edge and innovative academies within the Trust, the wider Diocesan family and other schools and academies to share evidence based initiatives and expertise
- The DMAT school improvement model to develop strong and reflective leadership which sustains quality first teaching
- Working in partnership with the Coventry Diocesan Board of Education ('the DBE') 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.
- Support with recruitment of staff, particularly in the areas of finance and senior leadership.
- Support for contract negotiation and leverage cost savings
- Support for effective financial management and budget setting/monitoring
- Support for building maintenance and capital projects

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 DMAT's objective is to advance for the public benefit education in the United Kingdom.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)**STRATEGIC REPORT****Achievements and Performance**

The Church of England has a long association with education in this country stretching back over 200 years. It was from 1811 that the Church started providing what could be described as the very first 'free schools' when education was made available without charge for all. By the time of the national census of 1851, forty years later, the Church had established 17,000 schools. The Church needed to respond to new educational landscapes and the challenges and opportunities they bring.

The Church of England Education Office has responded to this challenge again with a Church of England Vision for Education which is " *The vision is deeply Christian, with the promise by Jesus of life in all its fullness*".

The Diocese of Coventry therefore set up a multi academy trust to support their Schools within the Diocese. It wants to be in a position where it can continue to serve and support the schools for which it shares responsibility and care; those in the Diocesan family of schools and, in turn, those whom such schools seek to serve. The DBE has re written its mission statement to reflect this

"The DBE empowers others to be courageous, equipping them to deliver excellent Christian education so that all will flourish to achieve their full human potential."

One of the aims of the DBE is to establish an environment in which schools can flourish as successful Academies. The Church of England schools in the Diocese have always had a commitment to working together. The DBE seeks to work effectively with other organisations; with Local and National Government, and with the Diocese, to create the very best for the children, staff and parents within the Schools. Belonging to the DMAT, strengthens those opportunities. It provides a supportive and appropriately-challenging environment for school leaders and governors to achieve the very best for their school. The setting up of the DMAT has also brought the Academies closer to the Diocese and enabled the DMAT to share the broader Diocesan vision of transforming communities. The aim is that each Academy will provide an inspirational and holistic education which enables all children and staff to develop and achieve to their full potential. The core mission of the DMAT is to build a better future for all within its academies who in turn will positively impact their communities.

Name of Academy	Date Joined	Most recent OFSTED grading	OFSTED grading on conversion
St Laurence CofE Primary School	April 2013	Good	Special Measures
Stretton CofE Primary School	April 2013	Outstanding	Special Measures
St Bartholomew's CofE Academy (Primary)	Sept 2013	Good	Special Measures
Queen's CofE Academy (Junior)	Jan 2014	Good	Special Measures
Harris CofE Academy (11-16)	Jan 2014	Serious Weakness	Special Measures
St James' CofE Academy (Junior)	April 2014	Good	Special Measures
St Nicolas' CofE Academy (Primary)	May 2014	Good	Good
Studley St Mary's CofE Academy (Junior)	July 2014	Requires Improvement	Special Measures
St John's CofE Academy (Primary)	Sept 2014	Good	Good
St Oswald's CofE Academy (Primary)	July 2015	None	Special Measures
St Michael's CofE Academy	July 2015	None	Special Measures
Leamington Hastings CofE Academy (Infant)	Sept 2015	Good	Good

A number of our Academies have been inspected by OFSTED and below are some comments from the reports:

"The governors and multi-academy trust work in partnership as they effectively support and challenge leaders. Their work has reversed any previous underachievement." **December 2016 - Queens Church of England Academy Grade Good**

"Leaders, governors and the multi-academy trust are ambitious for the school and they are committed to ensuring that pupils achieve highly and are well cared for." **January 2017 – St James Church of England Academy Grade Good**

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

Achievements and Performance (cont'd)

"The Diocese of Coventry Multi Academy Trust provides highly effective input which has supported many improvements. The school continues to improve under the astute stewardship of the trust." **September 2017 - St Bartholomew's Church of England Academy Grade Good**

The Trust has also been successful with regards to SIAMS inspections over the last twelve months with four of our Academies being inspected. St Laurence's and St Bartholomew's both received a Good judgement whilst St Nicolas and Stretton both received an Outstanding judgement. This highlights the positive impact of having a close relationship with the Diocese.

The table below illustrates that the Key Stage 2 results for 2016-17 within the Trust are higher in every subject than the national average. Harris Academy had record results this year at GCSE with 62% of the children gaining the expected grade in English and Maths combined, compared to 47% last year. The Progress 8 result has improved from -0.52 to -0.02 meaning that each child on average has made at least half a grade improvement from last year and the School is substantially above national average.

Key Stage 2 Results

Type of school	Reading, writing and mathematics				Reaching the expected standard in							
	Reaching expected standard %		Reaching higher standard%		R%		W%		M%		G%	
	NAT	DCMAT	NAT	DCMAT	NAT	DCMAT	NAT	DCMAT	NAT	DCMAT	NAT	DCMAT
Sponsored academies (8)	52%	57%	5%	7%	62	67	71	77	67	72	68	75
DIFFERENCE	+5%		+2%		+5%		+6%		+5%		+7%	
Converter (2)	65	74	10	14	75	85	80	83	78	87	80	87
DIFFERENCE	+9%		+4%		+10%		+3%		+11%		+7%	

How the DMAT is supporting its schools to improve

- at least 12 days bespoke support from a dedicated, skilled and experienced School Improvement Partner to work with governors and senior leaders at the Schools to design a bespoke school development package. The role also encompasses the sharing of good practice and facilitating school to school support both within the Trust and with external partners and schools outside the Trust.
- as part of the Trust every academy receive the support of an experienced team of professional HR, Operations and Finance advisors. This is not limited to a service level agreement but is unlimited support to deal with issues as they arise. For example the Trust has employed a chartered surveyor to support building issues, operational support is provided for negotiation of contracts to leverage costs savings which are returned to the school and HR and Finance Business Partners are available to come into the school to work with staff to deal with any staffing and finance questions as they arise. The services are provided to reduce the management burden on staff, enabling them to focus on their key roles of teaching and learning.

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

- the Trust has a strong record of recruitment and retention of staff at all levels. This reflects the fact that teachers looking for headship positions have actively sought to be part of a larger organisation which provides opportunities for support, professional development and access to innovative ways of working as part of a network of professionals. Headship is a lonely position particularly for good or outstanding schools who no longer receive any external support or challenge from the Local Authority. Being part of an organisation which provides additional challenge, support and development opportunities for staff at all levels are very appealing.
- the Trust run its own programmes of support and development for new teachers which have been designed with lecturers at the University of Warwick. This has ensured that teachers stay within the profession and has enabled us to grow our own talented pool of teachers. When seeking promotion our staff are now actively applying for jobs within the Trust rather than applying for jobs outside the Trust as they value the support they have received.

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	2017	2016
Pupil numbers	191	184
Staff costs as a % of total revenue grant income	82%	79%
Staff costs as a % of total costs	75%	75%
Capital expenditure per pupil	£136	£1,223
St Laurence's Church of England Primary School	2017	2016
Pupil numbers	402	402
Staff costs as a % of total revenue grant income	71%	66%
Staff costs as a % of total costs	71%	69%
Capital expenditure per pupil	£167	£264
St Bartholomew's Church of England Academy	2017	2016
Pupil numbers	307	332
Staff costs as a % of total revenue grant income	86%	81%
Staff costs as a % of total costs	74%	73%
Capital expenditure per pupil	£332	£166
Queens Church of England Academy	2017	2016
Pupil numbers	203	204
Staff costs as a % of total revenue grant income	77%	73%
Staff costs as a % of total costs	73%	73%
Capital expenditure per pupil	£236	£740
Harris Church of England Academy	2017	2016
Pupil numbers	679	679
Staff costs as a % of total revenue grant income	96%	82%
Staff costs as a % of total costs	76%	72%
Capital expenditure per pupil	£74	£262
St James Church of England Academy	2017	2016
Pupil numbers	222	222
Staff costs as a % of total revenue grant income	81%	78%
Staff costs as a % of total costs	75%	75%
Capital expenditure per pupil	£288	£1,293

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)**Key Financial Performance Indicators (cont'd)**

	2017	2016
St Nicolas Church of England Academy		
Pupil numbers	424	423
Staff costs as a % of total revenue grant income	86%	83%
Staff costs as a % of total costs	77%	77%
Capital expenditure per pupil	£113	£345
Studley St Mary's Church of England Academy	2017	2016
Pupil numbers	216	216
Staff costs as a % of total revenue grant income	84%	77%
Staff costs as a % of total costs	76%	74%
Capital expenditure per pupil	£37	£60
St John's Church of England Academy	2017	2016
Pupil numbers	197	197
Staff costs as a % of total revenue grant income	82%	80%
Staff costs as a % of total costs	72%	73%
Capital expenditure per pupil	£0	£853
St Michael's Church of England Academy	2017	2016
Pupil numbers	301	353
Staff costs as a % of total revenue grant income	88%	99%
Staff costs as a % of total costs	75%	77%
Capital expenditure per pupil	£322	£2,708
St Oswald's Church of England Academy	2017	2016
Pupil numbers	200	214
Staff costs as a % of total revenue grant income	84%	82%
Staff costs as a % of total costs	73%	74%
Capital expenditure per pupil	£5	£654
Leamington Hastings Church of England Academy	2017	2016
Pupil numbers	47	45
Staff costs as a % of total revenue grant income	68%	94%
Staff costs as a % of total costs	57%	72%
Capital expenditure per pupil	£362	£44

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 policies.

FINANCIAL REVIEW**Overview**

The principal source of funding for the academy is the General Annual Grant. Most of the multi academy trust income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The multi academy trust also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

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

At 31 August 2017 the net book value of fixed assets was £49,820,000 (2016:£50,367,000) 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 2017 are based on projecting forward the estimated position at 1 September 2016 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 FRS 102 deficit at 31 August 2017 is £9,116,000 which compares to a deficit of £11,039,000 at 31 August 2016.

The main reason for the reduction 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 FRS102 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; and
- risk management policy.

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

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 £1,529,000 (2016: £1,511,000). The level of reserves will be reviewed and adjusted as new academies join the DMAT. 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 DMAT 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.

The value of free reserves after deducting 4 weeks working capital requirements are £1,529,000 (2016: £1,373,000).

Financial position

The DMAT held fund balances at 31 August 2017 of £43,735,000 (2016:£42,181,000), after allowing for the pension deficit of £9,116,000 (2016:£11,039,000); comprising £51,006,000 (2016:£51,559,000) of restricted funds and £1,845,000 (2016:£1,661,000) of unrestricted general funds.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)**Investment Policy**

All investments are made in accordance with the policy of the DMAT. The DMAT's policy on investments is one of minimum risk with all investments being held with the DMAT's bankers. The DMAT will nevertheless seek to maximise interest receipts within this arrangement. This policy will be reviewed in the year ending 31 August 2017. Investments are made with regard to Charity Commission guidance in relation to investments.

PRINCIPAL RISKS AND UNCERTAINTIES

The board has considered the risks faced by the DMAT throughout its normal operational business. It has sought to address the risks faced by the DMAT 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 be more systematic.

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 and regulatory 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; and
- condition of buildings acting as a barrier to achievement.

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.

Risk Management

The major risks to which the DMAT is exposed have been identified on the DMAT's Risk Register and are identified in the Financial Review on page 12. 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.

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 DMAT 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 incorporating a strategic report was approved by the board of trustees as the company directors on 13 December 2017 and signed on their behalf by:

.....
P Law

Chair of Trustees

13 December 2017

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017**Scope of Responsibility**

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, D Morris, 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 DMAT and the Secretary of State for Education. The Chief Executive Officer is 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 5 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
J Green - Chair	3	3
A J Kennedy	3	3
D Morris	3	3
R H Pogson	1	1
L Wainscot	3	3
J A Wade	3	3
P E Law	3	3
R Medwell	3	3
A E Moreton (appointed 4 October 2016)	3	3
R E Marlow (appointed 12 December 2016)	2	3
A R Armbrister (appointed 1 April 2017)	1	2
I Dewes	3	3

Governance Review

To review its governance arrangements, the Academy trust has extended and developed the ESFA's financial management and governance self assessment (FMGS) model to develop a framework that enables both the Board of Trustees and Academy local governing bodies to comply with and evidence self evaluation. In line with the Academies Financial Handbook, the self review document challenges the effectiveness of governance arrangements across key areas of responsibility such as financial oversight, financial planning, internal control, proper and regular use of public funds. The review document requires evidence of self review as well as evidence of compliance.

The self evaluation governance review is an annual process and the next reviews will be carried out during the 2017/18 Autumn term.

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)**Review of Value for Money**

As accounting officer, the Chief Executive Officer of the DMAT has responsibility for ensuring that the DMAT 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 DMAT'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 available. The accounting officer for the DMAT has continued to deliver efficiencies and savings through a range of procurement activities including:

- **Energy costs** - over £30K saving compared to previous year (>12%) ie Electricity savings c£17K per annum (11%) through re-procurement and gas savings c£16K per annum (20%) with all schools now sourcing via an optimum framework.
- **Photocopier** - costs under new photocopier contracts show annualised savings of approx £20K (29%) with further savings in the future expected as legacy contracts expire.
- **Telephony** - re-procurement of fixed and mobile telephony expected to deliver average savings of over 20% per annum.
- **Procurement strategy** - designed to make best use of purchasing frameworks, improved sourcing to take advantage of Trust buying power.

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 the DMAT's 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 DMAT for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees is reviewing the key risks to which the DMAT 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 DMAT's significant risks that has been in place for the year ending 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is reviewed regularly by the board of trustees.

The Risk and Control Framework

The DMAT 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 one internal auditor provider, Warwickshire Local Authority.

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

The internal auditors role includes giving advice on financial matters and performing a range of checks on the multi academy trust's financial systems. In particular the checks carried out in the current period included:

- Review of payroll processes including monthly pay checks, variation to contracts, authorisation routines – the majority of samples tested were compliant with one or two transactions requiring further authorisation. Now rectified.
- Review of IR35 checks and compliance – minimal transactions to date, with the majority compliant.

Review of Effectiveness

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

- the work of the internal auditors;
- the work of the external auditor;
- the financial management and governance self assessment process; and
- the work of the executive managers within the DMAT 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 13 December 2017 and signed on its behalf by:



P Law
Chair of Trustees



D Morris
Chief Executive Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2017

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 and Skills 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 2016.

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. If any instances are identified after the date of this statement, these will be notified to the board of trustees and the ESFA.



D Morris
Chief Executive Officer

13 December 2017

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

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

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

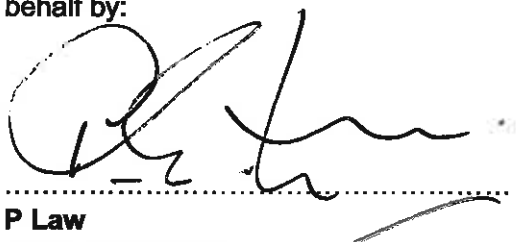
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS102 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 DMAT's transactions and disclose with reasonable accuracy at any time the financial position of the DMAT 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 DMAT 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 13 December 2017 and signed on its behalf by:



P Law
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DIOCESE OF COVENTRY MULTI-ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2017**Opinion**

We have audited the financial statements of The Diocese of Coventry Multi Academy Trust (the 'academy trust') for the year ended 31 August 2017 which comprise Statement of Financial Activities, the Balance Sheet and 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 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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 the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2017, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 Issued by the Education and Skills Funding Agency.

Basis 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DIOCESE OF COVENTRY MULTI-ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

Opinions 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 (incorporating the strategic report and the trustees' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the trustees' 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 set out on page 19, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DIOCESE OF COVENTRY
MULTI-ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)****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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Malcolm Winston

Senior Statutory Auditor

UHY Hacker Young (Birmingham) LLP, Statutory Auditor

9-11 Vittoria Street

Birmingham

B1 3ND

13 December 2017

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE DIOCESE OF COVENTRY MULTI-ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2017

In accordance with the terms of our engagement letter dated 11 July 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2016 to 2017 we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by the DMAT during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the DMAT and the ESFA in accordance with our engagement letter. Our review has been undertaken so that we might state to the governing body and the ESFA 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 DMAT and the ESFA, 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 accountant

The accounting officer is responsible, under the requirements of the DMAT's funding agreement with the Secretary of State for Education dated 26 March 2013, and the Academies Financial Handbook extant from 1 September 2016 for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies: Accounts Direction 2016 to 2017. We report to you whether, anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement

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 DMAT's general activities are within the multi academy trusts framework of authorities;
- Consideration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE DIOCESE OF COVENTRY MULTI-ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

Approach (con't)

- Review of the general control environment for the DMAT 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; and
- 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 year 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

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

13 December 2017

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2017

(Including Income and Expenditure Account)

		Unrestricted	Restricted	Restricted	Total	Total
	Note	Funds	General	Fixed	2017	2016
		£'000	Funds	Asset	£'000	£'000
			£'000	Funds		
Income from:						
Donations and capital grants	3	111	63	462	636	2,441
Transferred from local authority on conversion	3 & 29	-	-	-	-	1,232
Charitable activities:						
- Funding for the academy trust's educational operations	4	-	17,473	-	17,473	18,027
Other trading activities	5	481	-	-	481	442
Investment income	6	6	-	-	6	11
Total		598	17,536	462	18,596	22,153
Expenditure on:						
Raising funds	7	287	316	-	603	586
Charitable activities:						
- Academy trust's educational operations	7	102	18,095	1,074	19,271	19,055
Total		389	18,411	1,074	19,874	19,641
Net income/(expenditure)		209	(875)	(612)	(1,278)	2,512
Transfers between funds	17	(25)	(40)	65	-	-
Other recognised gains and losses						
Actuarial gain/(loss) on defined benefit pension schemes	27	-	2,832	-	2,832	(3,652)
Net movement in funds		184	1,917	(547)	1,554	(1,140)
Reconciliation of funds						
Total funds brought forward	17	1,661	(9,847)	50,367	42,181	43,321
Total funds carried forward	17	1,845	(7,930)	49,820	43,735	42,181

All of the DMAT's activities derive from acquisitions and continuing operations during the above two financial periods.

BALANCE SHEET AS AT 31 AUGUST 2017

	Note	2017 £'000	2016 £'000
Fixed assets			
Tangible assets	13	<u>49,820</u>	<u>50,367</u>
		<u>49,820</u>	<u>50,367</u>
Current assets			
Debtors	14	639	683
Cash at bank and in hand		<u>4,548</u>	<u>4,199</u>
		<u>5,187</u>	<u>4,882</u>
Current liabilities			
Creditors: Amounts falling due within one year	15	<u>(2,129)</u>	<u>(1,998)</u>
Net current assets		<u>3,058</u>	<u>2,884</u>
Total assets less current liabilities		52,878	53,251
Creditors: Amounts falling due after more than one year	16	(27)	(31)
Net assets excluding pension liability		<u>52,851</u>	<u>53,220</u>
Defined benefit pension scheme liability	27	(9,116)	(11,039)
Total Net Assets		<u>43,735</u>	<u>42,181</u>
Funds of the Academy:			
Restricted funds			
- Fixed asset fund	17	49,820	50,367
- Restricted income fund	17	1,186	1,192
- Pension reserve	17	(9,116)	(11,039)
Total Restricted Funds		<u>41,890</u>	<u>40,520</u>
Unrestricted income fund	17	1,845	1,661
Total Unrestricted Funds		<u>1,845</u>	<u>1,661</u>
Total Funds		<u>43,735</u>	<u>42,181</u>

The financial statements on pages 25 to 27 were approved by the trustees and authorised for issue on 13 December 2017 and signed on their behalf by:



P Law
Chair of Trustees

The notes on pages 28 to 49 form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £'000	2016 £'000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	412	(575)
Cash flows from investing activities	22	(59)	(134)
Cash flows from financing activities	23	(4)	(3)
Change in cash and cash equivalents in the reporting period		<u>349</u>	<u>(712)</u>
Cash and cash equivalents at 1 September		4,199	4,911
Cash and cash equivalents at 31 August	24	<u>4,548</u>	<u>4,199</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017**1 Statement of Accounting Policies**

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

Basis of Preparation

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

The Diocese of Coventry Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

Transfer of State Maintained School to a Multi Academy Trust

The transfer of a state maintained schools to the DMAT 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 Local Authority 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 net amount recognised as a net gain/loss in the Statement of Financial Activities and analysed as donations transferred from local authority on conversion. Further details of the transactions are set out in note 30.

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 company 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.

Income

All incoming resources are recognised when the DMAT 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.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance sheet in creditors; amounts falling due within one year in deferred income.

- **Sponsorship income**

Sponsorship income provided to the DMAT which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it can be measured reliably.

- **Donations**

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

- **Other income**

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

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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

- **Transfers of leasehold property**

Leasehold property transferred to the DMAT from the local authority at little or no consideration will be revalued at fair value in accordance with FRS 102. 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.

Expenditure

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

- **Expenditure on Raising Funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

Tangible Fixed Assets (cont'd)

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%
Furniture and equipment	10-15%
Computer equipment and software	33.33%
Motor vehicles	20%

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. 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 instrument, and are measured at amortised cost as detailed in note 15. 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.

Taxation

The DMAT 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 DMAT 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. As stated in Note 27, the TPS is a multi employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)**Pensions Benefits (cont'd)**

The LGPS is a funded scheme and the assets are held separately from those of the DMAT 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 the 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.

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees. Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

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

Critical accounting estimates and areas of judgement

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The critical judgements that the Trustees have made in the process of applying the DMAT's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below:

The critical areas of judgement are accounting for government grants, accounting for the write down of assets through depreciation and accounting for the pension liability. Government grants are accounted for as restricted funds. The pension liability is assessed by an independent actuarial valuation. Depreciation rates are based on the expected life of the asset.

In assessing whether there have been any indicators of impairment assets, the Trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

2 GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the DMAT was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017. (See note 17)

3 DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
Devolved formula capital grant	-	66	66	62
CIF grant	-	20	20	984
ACMF	-	-	-	14
WCC fixed assets donation	-	-	-	2,080
WCC prior years surplus b/fwd	-	-	-	85
WCC LGPS pension deficit transferred	-	-	-	(90)
SCA Grant	-	257	257	285
School fund	-	29	29	26
Donations	111	143	254	135
Other capital grants	-	10	10	92
	<u>111</u>	<u>525</u>	<u>636</u>	<u>3,673</u>

The income from donations and capital grants was £636,000 (2016 : £3,673,000) of which £111,000 (2016 : £220,000) was unrestricted, £63,000 (2016 : £64,000 deficit) on restricted and £462,000 (2016 : £3,517,000) restricted fixed assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

4 FUNDING FOR THE DMAT'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
DfE/ESFA grants				
General annual grant (GAG) (note 2)	-	14,717	14,717	14,934
Rates relief	-	58	58	40
Insurance top-up	-	-	-	22
Start up grant	-	-	-	5
Pupil premium grant	-	1,230	1,230	1,456
Year 7 catch up	-	16	16	14
SCA Grant	-	-	-	10
PE and sports grant	-	100	100	99
UIFSM grant	-	260	260	215
Sponsor capacity funding grant	-	15	15	-
Other DfE grants	-	99	99	-
	-	16,495	16,495	16,795
Other Government grants				
Teach first	-	13	13	10
Special needs grant - LA	-	250	250	207
Pupil premium grant - LA	-	83	83	60
Early years funding grant - LA	-	334	334	283
High needs top up grant - LA	-	-	-	64
Big Lottery grant	-	-	-	16
Children Centre grant - WCC	-	272	272	207
2 Help Funding - WCC	-	-	-	100
Other Grants - WCC	-	-	-	5
Area Behavioural Panel - WCC	-	20	20	108
Skills for Employment Grant - WCC	-	5	5	3
Additional growth funding grant - WCC	-	-	-	98
	-	977	977	1,161
Other income from the academy trust's educational operations	-	1	1	71
	-	1	17,473	18,027

The income from the academy trusts's educational operations was restricted for both 2017 and 2016.

5 OTHER TRADING ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
Lettings income	42	-	42	36
Sports Centre income	99	-	99	81
School Sports Partnership income	152	-	152	149
Sundry income	56	-	56	106
EWE club income	62	-	62	52
Nursery fees	70	-	70	18
	481	-	481	442

The income from the academy trusts's other trading activities was unrestricted for both 2017 and 2016.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

6 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
Bank interest received	6	-	6	10
Dividend income	-	-	-	1
	<u>6</u>	<u>-</u>	<u>6</u>	<u>11</u>

The income from the academy trusts's investment income was unrestricted for both 2017 and 2016.

7 EXPENDITURE

	Staff Costs £'000	Non Pay Expenditure		Total 2017 £'000	Total 2016 £'000
		Premises £'000	Other Costs £'000		
Expenditure on raising funds	499	30	74	603	586
Academy's educational operations					
• Direct costs	11,544	-	1,130	12,674	13,029
• Allocated support costs	3,195	1,853	1,549	6,597	6,026
	<u>14,739</u>	<u>1,853</u>	<u>2,679</u>	<u>19,271</u>	<u>19,055</u>
	<u>15,238</u>	<u>1,883</u>	<u>2,753</u>	<u>19,874</u>	<u>19,641</u>

The expenditure was £19,874,000 (2016 : £19,641,000) of which £389,000 (2016 : £534,000) was unrestricted, £18,411,000 (2016 : £18,140,000) restricted and £1,074,000 (2016 : £967,000) restricted fixed assets.

	2017 £'000	2016 £'000
Net income/(expenditure) for the year includes:		
Operating leases rentals	33	48
Depreciation	1,074	967
Fees payable to auditor for:		
- audit	30	39
- other services	5	8

8 CHARITABLE ACTIVITIES

	Total 2017 £'000	Total 2016 £'000
Direct costs - educational operations	13,277	13,029
Support costs - educational operations	6,597	6,026
	<u>19,874</u>	<u>19,055</u>
Analysis of Support Costs		
Support staff costs	3,195	2,722
Depreciation	1,074	967
Technology costs	196	158
Premises costs	779	873
Other support costs	1,018	1,060
Governance	335	246
	<u>6,597</u>	<u>6,026</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

9 STAFF COSTS**a Staff costs**

	Total 2017	Total 2016
Staff costs during the year were:	£'000	£'000
Wages and salaries	10,879	10,920
Social security costs	940	787
Operating costs of defined benefit pension schemes	2,839	2,365
Apprenticeship Levy	17	-
	14,675	14,072
Supply staff costs	509	750
Staff restructuring costs	54	151
	15,238	14,973

Staff restructuring costs comprise:

Redundancy payments	-	118
Severance payments	54	33
	54	151

b Staff severance payments

Included in staff restructuring costs are non statutory/non contractual severance payments totalling £53,900 (2016:£32,700) Individually the payments were for £19,500, £5,500, £7,400, and £21,500.

c Staff numbers

The average number of persons (including senior management team) employed by the academy trust during the year ended 31 August 2017 expressed as full time equivalents was as follows:

	2017 No	2016 No
Charitable Activities		
Teachers	168	167
Administration and support	418	412
Management	46	49
	632	628

d Higher paid staff

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

	2017 No	2016 No
£60,001 - £70,000	2	1
£70,001 - £80,000	3	3
£80,001 - £90,000	1	1
£90,001 - £100,000	1	-

e Key management personnel

The key management of the DMAT comprise the trustees and the senior management team as listed on pages 3 & 4. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £1,303,702 (2016: £1,358,316).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

10 CENTRAL SERVICES

The DMAT has provided the following central services to Stretton Church of England Academy, St Laurence's Church of England Primary School, St Bartholomew's Church of England Academy, Queens Church of England Primary School, Harris Church of England Academy, St James's Church of England Academy, St Nicolas Church of England Primary School, Studley St Mary's Church of England Academy, St John's Church of England Academy, St Michael's Church of England Academy, St Oswald's Church of England Academy and Leamington Hastings Church of England Academy.

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

The DMAT charges for these services a flat percentage of 5% of all GAG and ESG income. An additional one off charge was also made for any academies joining the DMAT during the year for consultancy services.

The actual amounts charged during the year were as follows:

	2017 £'000	2016 £'000
Stretton Church of England Academy	49	48
St Laurence's Church of England Primary School	88	88
St Bartholomew's Church of England Academy	69	72
Queens Church of England Academy	46	39
Harris Church of England Academy	176	196
St James Church of England Academy	41	41
St Nicolas Church of England Academy	71	71
Studley St Mary's Church of England Academy	43	43
St John's Church of England Academy	41	41
St Michael's Church of England Academy	62	57
St Oswald's Church of England Academy	40	40
Leamington Hastings Church of England Academy	15	15
	<u>741</u>	<u>751</u>

11 RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One or more trustees has been paid remuneration or has received other benefits from an employment with the DMAT. The Chief Executive Officer receives remuneration in respect of this services provided undertaking the role of Chief Executive Officer and not in respect of services as a trustee. Other trustees did not receive any payments, other than expenses, from the DMAT in respect of their role as trustees. The value of trustee's remuneration and other remuneration was as follows:

D Morris (Chief Executive Officer)		
Remuneration	£45,000 - £50,000	(2016: £80,000 - £85,000)
Employers pension contributions	£0,000 - £5,000	(2016: £0 - £5,000)

During the year ended 31 August 2017, travel and subsistence expenses totalling £625 were reimbursed or paid (2016: £6,403) to 1 trustee.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

12 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 £1,000,000 on any one claim and the cost for the year ended 31 August 2017 was £933 (2016: £989). The cost of this insurance is included in the total insurance cost.

13 TANGIBLE FIXED ASSETS

	Leasehold Land & Buildings £'000	Assets Under Construction £'000	Furniture & Equipment £'000	Computer Equipment £'000	Motor Vehicles £'000	Total £'000
Cost						
At 1 September 2016	50,922	234	1,156	119	78	52,509
Transfer on conversion	-	-	-	-	-	-
Additions	370	48	79	30	-	527
Transfers	282	(282)	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 August 2017	<u>51,574</u>	<u>-</u>	<u>1,235</u>	<u>149</u>	<u>78</u>	<u>53,036</u>
Depreciation						
At 1 September 2016	1,847	-	237	38	20	2,142
Charged in year	847	-	165	46	16	1,074
Disposals	-	-	-	-	-	-
At 31 August 2017	<u>2,694</u>	<u>-</u>	<u>402</u>	<u>84</u>	<u>36</u>	<u>3,216</u>
Net book value						
At 31 August 2017	<u>48,880</u>	<u>-</u>	<u>833</u>	<u>65</u>	<u>42</u>	<u>49,820</u>
At 31 August 2016	<u>49,075</u>	<u>234</u>	<u>919</u>	<u>81</u>	<u>58</u>	<u>50,367</u>

Where the DMAT occupies the land and buildings under a licence from the Church of England no interest in the sites pass to the DMAT. However, in accordance with FRS 102 and the Academy Accounts Direction 2016/17 the commercial substance of the transaction takes precedence over the legal form. As a result any land and buildings occupied under licence by the DMAT and owned by the Church of England are recognised on the academy trust balance sheet for the future economic benefits that are expected to flow from the use of such properties.

The majority of the DMAT's leasehold land and buildings were donated to the DMAT by Coventry City Council (CCC) and Warwickshire County Council (WCC) on 125 year leases at a peppercorn rent. An existing use valuation and useful asset life assessment was prepared in accordance with the requirements of the accounting standard FRS 102 for each of the academy's that converted. The leasehold land and buildings gifted had a depreciated replacement cost value for: Stretton Church of England Academy £2,097,000; St Laurence's Church of England Primary School £2,354,000; St Bartholomew's Church of England Academy £4,618,000; Queens Church of England Academy £1,167,000; Harris Church of England Academy £16,615,000; St James Church of England Academy £2,770,000; St Nicolas Church of England Academy £3,676,600; Studley St Mary's Church of England Academy £2,504,000; St John's Church of England Academy £2,092,000; St Michael's Church of England Academy £5,745,000, St Oswald's Church of England Academy £2,996,000 and Leamington Hastings Church of England Academy £1,237,000.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

	2017 £'000	2016 £'000
14 DEBTORS		
Trade debtors	36	51
VAT recoverable	115	113
Other debtors	369	422
Prepayments	119	97
	<u>639</u>	<u>683</u>
15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Trade creditors	132	379
Taxation and Social Security	472	469
Other creditors	102	6
Accruals	422	596
Deferred income	1,001	548
	<u>2,129</u>	<u>1,998</u>
Deferred Income	2017	2016
	£'000	£'000
Deferred income at 1 September 2016	548	1,454
Resources deferred in the year	1,001	548
Amounts released from previous years	(548)	(1,454)
Deferred income at 31 August 2017	<u>1,001</u>	<u>548</u>

At the balance sheet date the DMAT was holding funds received in advance for 2017/18 by Central Services: £524,472 (2016: £9,668); St Laurence's Church of England Primary School: £25,237 (2016: £28,418) Stretton Church of England Academy £15,375 (2016 : £39,115); Harris Church of England Academy £138,093 (2016 : £137,180); Queens Church of England Academy £48,791 (2016: £54,332); St Bartholomew's Church of England Academy £31,494 (2016 : £31,777); St James Church of England Academy: £10,248 (2016: £Nil); St Nicolas Church of England Academy: £54,277 (2016: £50,797), Studley St Mary's Church of England Academy: £850 (2015: £8,106); St John's Church of England Academy £42,166 (2016: £43,441), St Michael's Church of England Academy £81,301 (2016: £100,088), St Oswalds Church of England Academy £18,141 (2016: £26,474) and Leamington Hastings Church of England Academy £12,581 (2016: £18,754). For terms of the Salix loan please see note 16.

16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Creditors include amounts not wholly repayable within 5 years as follows:

	2017 £'000	2016 £'000
Salix loan	<u>27</u>	<u>31</u>

In 2015 the DMAT took out ESFA approved, interest free Salix loans for: St Bartholomew's Church of England Academy £15,365 (2016: £18,157); St James Church of England Academy £6,992 (2016: £6,992) and Studley St Mary's Church of England Academy £4,549 (2016: £5,375) payable over 8 years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

17 FUNDS

The income funds of the academy applied for specific purposes are as follows:

	Balance at 1 September 2016 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General annual grant (GAG) (note i)	1,098	14,717	(14,655)	(40)	1,120
School improvement grant (note ii)	24	-	(24)	-	-
Pupil premium grant (note iii)	-	1,230	(1,230)	-	-
Area Behavioural Panel - WCC (note iv)	-	20	(20)	-	-
PE and sports grant (note v)	-	100	(100)	-	-
Year 7 catch up (note vi)	-	16	(16)	-	-
Teach first (note vii)	-	13	(13)	-	-
UFSM grant (note viii)	-	260	(260)	-	-
Rates relief	-	58	(58)	-	-
Special needs grant - LA (note ix)	-	250	(250)	-	-
Pupil premium grant - LA (note iii)	-	83	(83)	-	-
Early years funding grant - LA (note x)	-	334	(334)	-	-
Children Centre grant - WCC (note xi)	-	216	(216)	-	-
Other EFA grant (note xii)	-	99	(99)	-	-
Sponsor Capacity Grant (note xii)	-	15	(15)	-	-
School funds (note xiii)	70	29	(33)	-	66
Skills for employment grant - WCC (note xiv)	-	5	(5)	-	-
Other grants - WCC (note xv)	-	56	(56)	-	-
Other grants - Nicholas Chamberlain (note xvi)	-	35	(35)	-	-
Total general funds carried forw'd	1,192	17,536	(17,502)	(40)	1,186
Restricted fixed asset funds					
Fixed assets donation - LA (note xvii)	46,933	88	(798)	-	46,223
Devolved formula capital grant (note xix)	91	66	(52)	-	105
ACMF - capital (note xix)	1,139	-	(112)	-	1,027
CIF grant (note xviii)	1,599	20	(51)	-	1,568
Capital expenditure from GAG (note xix)	214	-	(26)	65	253
Capital expenditure from unrestricted funds (note xix)	15	-	(4)	-	11
SCA grant (note xix)	285	257	(27)	-	515
Other capital grants (note xix)	91	10	(2)	-	99
Fixed asset donations - non-government (note xvi)	-	21	(2)	-	19
Total fixed asset funds	50,367	462	(1,074)	65	49,820
Restricted pension scheme liability					
Pension reserve (note xx)	(11,039)	-	(909)	2,832	(9,116)
	(11,039)	-	(909)	2,832	(9,116)
Total restricted funds	40,520	17,998	(19,485)	2,857	41,890
Unrestricted funds					
Unrestricted funds	328	446	(244)	(25)	505
LA prior years surplus b/fwd	1,113	-	(2)	-	1,111
School Sports Partnership funds	220	152	(143)	-	229
Total unrestricted funds	1,661	598	(389)	(25)	1,845
Total funds	42,181	18,596	(19,874)	2,832	43,735

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

17 FUNDS (Continued)

The income funds of the academy applied for specific purposes are as follows:

Notes

- i) GAG must be used for the normal running costs of the DMAT. Under the funding agreement with the Secretary of State, the DMAT was not subject to a limit on the amount of GAG that it would carry forward at 31 August 2017. (see note 2)
- ii) School improvement grant has been used to provide leadership support, curriculum redesign and staff restructuring.
- iii) Pupil premium grant has been used to support children from low income families placed in the MAT.
- iv) Area behavioural panel monies have been used for managing challenging students.
- v) PE and Sports grant has been used for enhancing sports facilities and supporting the teaching of sport.
- vi) Year 7 catch up grant has been used to provide additional support in reading and/or maths not achieving level 4.
- vii) Teach first grant has been received from Teach First to support the training of new teachers.
- viii) Universal infant free school meals funding has been received from ESFA to provide free school meals to all school pupils.
- ix) Special needs grant has been used to support enhanced learning for children with special educational needs.
- x) Early years funding has been used to provide teaching support for younger children.
- xi) Grant funding has been used to support the operations of the childrens centre and activities.
- xii) Sponsor capacity grant and another EFA grant have been awarded and used to support the growth of the Multi Academy Trust.
- xiii) School funds are contributions received from parents which are used to support the DMAT's activities.
- xiv) Skills for employment grant have been used to provide specific support to secondary pupils to prepare them for employment.
- xv) Other local authority growth funds have been used for educational materials
- xvi) Nicholas Chamberlain non government grants have been used for the purpose awarded.
- xvii) Restricted fixed assets were funded by Coventry City Council and Warwickshire County Council donating academy land and buildings on a 125 year lease at a pepper corn rent.
- xviii) Capital improvement funding received from ESFA for specific capital expenditure at schools.
- xix) Restricted fixed asset additions were funded by government grants and transfers from restricted and unrestricted funds.
- xx) The pension reserve represents the deficit on the LGPS. (see note 27)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

17 FUNDS (Continued)

TOTAL FUNDS ANALYSIS BY ACADEMY

Fund balances at 31 August 2017 were allocated as follows:

	2017 £'000	2016 £'000
Stretton Church of England Academy	215	244
St Laurence's Church of England Primary School	564	455
St Bartholomew's Church of England Academy	398	485
Queens Church of England Academy	141	123
Harris Church of England Academy	768	927
St James Church of England Academy	139	103
St Nicolas Church of England Academy	74	78
Studley St Mary's Church of England Academy	123	107
St John's Church of England Academy	204	146
St Michael's Church of England Academy	(1)	(59)
St Oswald's Church of England Academy	26	58
Leamington Hastings Church of England Academy	79	34
Central services	301	152
Total before fixed assets and pension reserve	<u>3,031</u>	<u>2,853</u>
Restricted fixed assets fund	49,820	50,367
Pension reserve	<u>(9,116)</u>	<u>(11,039)</u>
	<u>40,704</u>	<u>39,328</u>
Total	<u>43,735</u>	<u>42,181</u>

St Michael's Church of England Academy is carrying a net deficit of £689 because of staff restructuring costs incurred during 2015/16. These non-recurrent restructuring costs were necessary to reduce recurrent staffing costs and therefore protect the longer term viability of the academy. The overall position has improved by £58,249 during 2016/17, and the academy hopes to report a surplus position in 2017/18.

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching and Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (excluding Deprec'n) £'000	Total 2017 £'000	Total 2016 £'000
Stretton	834	122	87	181	1,224	1,128
St Laurence's	1,207	254	127	269	1,857	1,870
St Bartholomew's	1,159	179	139	194	1,671	1,667
Queens	679	169	111	138	1,097	949
Harris	2,645	1,066	263	385	4,359	4,432
St James	599	139	35	104	877	833
St Nicolas	1,177	187	57	213	1,634	1,544
Studley St Mary's	688	125	61	84	958	956
St John's	606	135	64	140	945	920
St Michael's	1,157	573	107	217	2,054	2,243
St Oswald's	669	139	65	135	1,008	1,067
Leamington Hastings	121	99	14	118	352	410
Central services	3	507	-	254	764	655
DMAT	<u>11,544</u>	<u>3,694</u>	<u>1,130</u>	<u>2,432</u>	<u>18,800</u>	<u>18,674</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2017 are represented by:

	Unrestricted	Pension	School Fund	General	Fixed	
	Funds	Restricted	Restricted	Restricted	Assets	
	Funds	Funds	Funds	Funds	Restrict	Total
	£'000	£'000	£'000	£'000	Funds	£'000
Tangible fixed assets	-	-	-	-	49,820	49,820
Current assets	1,857	-	66	3,264	-	5,187
Current liabilities	(12)	-	-	(2,117)	-	(2,129)
Non-current liabilities	-	-	-	(27)	-	(27)
Pension scheme liability	-	(9,116)	-	-	-	(9,116)
	<u>1,845</u>	<u>(9,116)</u>	<u>66</u>	<u>1,120</u>	<u>49,820</u>	<u>43,735</u>

19 CAPITAL COMMITMENTS

	2017	2016
	£'000	£'000
Contracted for, but not provided in the financial statements	Nil	199
Authorised by trustees, but not yet contracted	<u>Nil</u>	<u>Nil</u>

20 COMMITMENTS UNDER OPERATING LEASES

Operating leases

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

	2017	2016
	Other	Other
	£'000	£'000
Operating leases which expire:		
Within one year	27	30
Within two to five years	26	29
	<u>53</u>	<u>59</u>

21 RECONCILIATION OF NET (EXPENDITURE)/ INCOME TO CASH FLOW FROM OPERATING ACTIVITIES

	2017	2016
	£'000	£'000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(1,278)	2,512
Adjusted for:		
Depreciation (note 13)	1,074	967
Fixed assets donation	-	(2,080)
LGPS pension deficit transfer	-	90
Capital grants from DfE and other capital income	(462)	(1,437)
Interest receivable	(6)	(11)
Defined benefit pension scheme cost less contributions payable (note 27)	676	241
Defined benefit pension scheme finance cost (note 27)	233	265
Decrease/(increase) in debtors	44	(8)
Increase/(decrease) in creditors	131	(1,114)
Net cash provided by/(used in) operating activities	<u>412</u>	<u>(575)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

22 CASH FLOWS FROM INVESTING ACTIVITIES

	2017	2016
	£'000	£'000
Interest received	6	11
Purchase of tangible fixed assets	(527)	(1,582)
Capital grants from DfE/ESFA	86	1,060
Capital funding received from sponsors and others	376	377
Receipts from sale of tangible fixed assets	-	-
Net cash used in investing activities	(59)	(134)

23 CASH FLOWS FROM FINANCING ACTIVITIES

Repayments of borrowing	(4)	(3)
Cash inflows from new borrowing	-	-
Net cash (used in)/provided by financing activities	(4)	(3)

24 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 31 Aug 2017	At 31 Aug 2016
	£'000	£'000
Cash in hand and at bank	4,548	4,199
Total cash and cash equivalents	4,548	4,199

25 CONTINGENT LIABILITIES

During the period of the funding agreement between the DMAT and the Secretary of State, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the DMAT 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 DMAT serving notice, the DMAT is obliged to repay to the Secretary of State sums determined by reference to :

- a) the value at that time of the DMAT's sites and premises and other assets held for the purpose of the DMAT; and
- b) 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 DMAT undertakes to contribute to its assets 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 YEAR ENDED 31 AUGUST 2016 (cont'd)

27 PENSION AND SIMILAR OBLIGATIONS

The DMAT'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 and West Midlands Pension Fund. Both are defined multi employer benefit schemes.

As described in note 27 the LGPS obligation relates to the employees of the DMAT, 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 DMAT during the year ended 31 August 2017 was £2,839,000 (2016:£2,365,000) of which £984,000 (2016: £973,000) relates to the TPS and £1,855,000 (2016:£1,392,000) 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 2012 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**Introduction**

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

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

Valuation of the Teachers' Pension Scheme

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

27 PENSION AND SIMILAR OBLIGATIONS (cont'd)

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.48% which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employers costs paid to TPS in the period amounted to £984,000 (2016: £973,000).

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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in a separate trustee administered funds. The total contributions made for the year ended 31 August 2017 was £2,007,000 (2016: £1,632,000) of which employers contributions totalled £1,855,000 (2016: £1,392,000) and employees contributions totalled £248,000 (2016: £240,000). The agreed employers contributions for future years are 17.6% (2016: 17.6%) for Stretton Church of England Academy, 19.6% (2016: 19.6%) for St Laurence's Church of England Primary School, 18.7% (2016: 18.7%) for St Bartholomew's Church of England Academy, 22.8% (2016: 22.5%) for Queens Church of England Academy, 22.4% (2016: 22.5%) for Harris Church of England Academy, 22.4% (2016: 22.5%) for St James Church of England Academy School, 22.4% (2016: 22.5%) for St Nicolas Church of England Academy, 22.4% (2016: 22.5%) for Studley St Mary's Church of England Academy, 20.7% (2016: 20.7%) for St John's Church of England Academy, 22.4% (2016: 22.5%) for St Michael's Church of England Academy, 22.4% (2016: 22.5%) for St Oswald's Church of England Academy, 22.4% (2016: 22.5%) for Leamington Hastings Church of England Academy and 23.3% (2016: 22.0%) for The Diocese of Coventry Administration Centre. The agreed contributions for employees are 5.8% (2016: 5.8%).

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 2017 % per annum	At 31 August 2016 % per annum
Discount rate	2.5%	2.1%
Salary increases	3.4%	3.9%
Pension increase	2.5%	2.2%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

27 PENSION AND SIMILAR OBLIGATIONS (cont'd)

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

	At 31 August 2017	At 31 August 2016
	Approx	Approx
	Change to Employers Liability	Change to Employers Liability
	£'000	£'000
Discount rate reduced by 0.5% per annum	2,222	2,245

The mortality assumptions used were as follows:

	At 31 August 2017	At 31 August 2016
	years	years
Longevity at age 65 retiring today		
- Men	22.3	22.6
- Women	24.6	24.8
Longevity at age 65 retiring in 20 years		
- Men	24.2	24.6
- Women	26.7	27.1

The DMAT's share of the assets in the scheme were:

	Fair value at	Fair value at
	31 August	31 August
	2017	2016
	£'000	£'000
Equity instruments	5,890	4,194
Debt instruments	1,819	1,418
Property	935	683
Cash	231	131
Other	217	129
Total market value of assets	9,092	6,555
Present value of scheme liabilities		
- Funded	(9,092)	(6,555)
- Unfunded	(9,116)	(11,039)
Total liabilities	(18,208)	(17,594)
Deficit in the scheme	(9,116)	(11,039)

The actual return on the scheme assets in the year was £1,502,000 (2016: £957,000).

Amounts recognised in the Statement of Financial Activities

	2017	2016
	£'000	£'000
Current service cost	1,622	1,127
Interest income	(147)	(194)
Interest cost	380	459
Total operating charge	1,855	1,392

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

27 PENSION AND SIMILAR OBLIGATIONS (cont'd)

	2017	2016
	£'000	£'000
Changes in deficit during the year		
Balance at 1 September 2016	11,039	6,791
Balance at admission date	-	90
Movement in year:		
- Employer service cost (net of employee contributions)	1,622	1127
- Employer contributions	(946)	(886)
- Expected return on scheme assets	(147)	(194)
- Interest cost	380	459
- Losses on curtailments	-	-
- Actuarial (gains)/losses	(2,832)	3,652
Deficit in the scheme at 31 August 2017	9,116	11,039
Changes in the present value of defined benefit obligations were as follows:	2017	2016
	£'000	£'000
Balance at 1 September 2016	17,594	11,308
Scheme liabilities at admission date	-	133
Current service cost	1,622	1,127
Interest cost	380	459
Contributions by scheme participants	248	240
Benefits paid	(154)	(88)
Losses on curtailment	-	-
Actuarial (gains)/losses	(1,482)	4,415
Scheme liabilities at 31 August 2017	18,208	17,594
Changes in the fair value of the DMAT's share of scheme assets:	2017	2016
	£'000	£'000
Balance at 1 September 2016	6,555	4,517
Fair value of scheme assets at admission date	-	43
Expected return on scheme assets	147	194
Actuarial gains	1,350	763
Contributions by employer	946	886
Benefits paid	(154)	(88)
Contributions by scheme participants	248	240
Fair value of scheme assets at 31 August 2017	9,092	6,555

The estimated value of employer contributions for the year ended 31 August 2018 is £996,000 (2017: £934,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

28 RELATED PARTY TRANSACTIONS

Owing to the nature of the DMAT'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 DMAT's financial regulations and normal procurement procedures.

The DMAT made the following purchases at arms' length in accordance with the financial regulations, which the following related parties below neither participated in, nor influenced. In entering into the transactions the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

Mrs S Hanson (Vice Chair, St John's Church of England Academy) was the chair of the Coventry City Council (Coventry CC) Schools Forum. Coventry CC provides various services to St John's Church of England Academy including property and payroll. Transactions during the year with Coventry City Council by St James Church of England Academy totalled £61,329 (2016: £49,874) and the balance outstanding at 31 August 2017 was £1,751 (2016: £2,614).

Mr R Tromans (Governor, St. Nicolas Church of England Academy) is a councillor at Nuneaton and Bedworth Borough Council whom the school pay for non domestic rates. Transactions for the year totalled £6,898 (2016: £26,129) and there was a balance outstanding of £Nil at 31 August 2017 (2016: £Nil).

Mrs J Jackson (Governor, St. Michaels Church of England Academy) is a councillor at Warwickshire County Council (WCC). WCC provide grant income for St Michaels Children's Centre, general maintenance and academy support services. Children's Centre grant income for the year totalled £215,246 (2016 £211,863) and services purchased for the year totalled £78,942 (2016: £64,047). The balance outstanding at 31 August 2017 was £75 (2016: £nil).

Mrs L Wainscott (Director and Member of the DMAT board) is an employee of the Diocesan Board of Education (DBE), the sponsoring organisation of the DMAT. The DMAT buys services from the DBE as part of a service level agreement. Transactions during the year totalled £47,265 (2016: £57,211) and the balance outstanding at 31 August 2017 was £28,197 (2016: £3,288).

School improvement support is purchased from the DBE, the sponsoring organisation of the MAT. Transactions during the year totalled £69,083 (2016: £78,242) and the balance outstanding at 31 August 2017 was £nil (2016: £nil).

Mr I Dewes (Director of the DMAT board) is an employee of Dunchurch Infant School & Nursery. Dunchurch Infant School & Nursery charges the DMAT for Consultant Headteacher services at Leamington Hastings Church of England Academy. Transactions for the year totalled £ £7,714 and there was a balance outstanding of £643 at 31 August 2017.

Mrs R Marlow is Chair of the Charity Together for Change and the academies St Bartholomew's and Stretton Church of England Academy purchase services from the Charity.

In entering into the transactions the trust has complied with the requirements of the Academies Financial Handbook 2016.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

29 CONVERSION TO AN ACADEMY TRUST

On 1 September 2015 the Leamington Hastings Church of England Academy converted to Academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the DMAT from Warwickshire County Council for nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain/(loss) in the Statement of Financial Activities as donations transferred from local authority on conversion.

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

	Unrestricted	Restricted	Restricted	Total
	Funds	General	Fixed	Funds
	£'000	Funds	Asset	£'000
	£'000	£'000	Funds	£'000
Leasehold land and buildings	-	-	1,237	1,237
Budget surplus on LA funds	85	-	-	85
LGPS pension deficit	-	(90)	-	(90)
Net assets / (liabilities)	85	(90)	1,237	1,232

The above net assets/liabilities include £85,000 (2015:£382,000) that were transferred as cash.

From 1 September 2015, during the year, the leasehold land and buildings were transferred on a 125 year lease at a peppercorn rent from Warwickshire County Council to the DMAT.

30 EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no material adjusting or non adjusting events arising after the balance sheet date.

