

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

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2019

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

CONTENTS

	Page
Reference and Administrative Information	3
Directors' Report	6
Governance Statement	16
Statement on Regularity, Propriety and Compliance	19
Statement of Directors' and Trustees' Responsibilities	20
Independent Auditor's Report on the Financial Statements	21
Independent Reporting Accountant's Report on Regularity	24
Statement of Financial Activities	26
Balance Sheet	27
Statement of Cash Flows	28
Notes to the Financial Statements	29

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, MEMBERS, DIRECTORS, TRUSTEES AND ADVISORS**Members**

The Right Reverend Bishop C Cocksworth
R E Marlow
P E Law
C L Wainscot
E Scrivens
M Draper
R Pogson

Directors and Trustees

P E Law - Chair
J A Wade (resigned 3 October 2019)
R T A Medwell
I C Dewes
M Coalter
R E Marlow
A R Armbrister
M J Cowland - Chief Executive Officer (appointed 12 August 2019)
D Morris - Chief Executive Officer (resigned 31 December 2018)
J Slack (appointed 26 April 2018)
P J Whitfield (appointed 9 July 2019)

Company Secretary

J R Baker

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

M J Cowland (appointed 12 August 2019)
D Morris (resigned 31 December 2018)

Head of Education

L Nash

Head of Human Resources

C Salter

Head of Finance

M Nisbet

Head of Operations

J Baker

Principal Address

Diocese of Coventry Multi-Academy Trust
The Benn Education Centre
Craven Road
Rugby
CV21 3JZ

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 7ED

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, MEMBERS, DIRECTORS, TRUSTEES AND ADVISORS (cont'd)**Academy Addresses (cont'd)**

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
Bulkington
CV12 9PF

St Nicolas Church of England Academy
Windermere Avenue
Nuneaton
CV11 6HJ

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

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, MEMBERS, DIRECTORS, TRUSTEES AND ADVISORS (cont'd)**Academy Addresses (cont'd)**

Leigh Church of England Academy
71 Plants Hill Crescent
Coventry
CV4 9RQ

Salford Priors Church of England Academy
School Road
Salford Priors
Evesham
WR11 8XD

All Saints Church Of England Primary School
Warwick Road
Leek Wootton
Warwick
CV35 7QR

Burton Green CofE (VC) Primary School
Hob Lane
Burton Green
Coventry
CV8 1QB

Long Itchington Church of England Academy
Stockton Road
Long Itchington
Southam
CV47 9QP

Southam St James Church of England Academy
Tollgate Road
Southam
CV47 1EE

Registered Office

The Benn Education Centre
Craven Road
Rugby
CV21 3JZ

Company Registration Number

8422015

Independent Auditor

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

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019

Diocese of Coventry Multi Academy Trust (DMAT) is a charity established to provide a home for schools in the Diocese of Coventry who wish to convert to academy status or who are compelled by the Government to convert. There were eighteen academies in DMAT as at 31 August 2019.

The Directors who are also the Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Directors' report, and a directors' report under company law.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The directors of DMAT are also the trustees of the charitable company for the purposes of charity law. The charitable company operates as Diocese of Coventry Multi Academy Trust.

Details of the Directors who served during the year are included in the Reference and Administrative Details on page 3.

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member of, 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.

Directors' Indemnities

Directors benefit from indemnity insurance to cover the liability of the Directors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Multi Academy Trust. The cost of this insurance is combined with the main policy.

Method of Recruitment and Appointment or Election of Directors

The management of the Academy Trust is the responsibility of the Directors who are elected and co-opted under the terms of the Articles of Association.

Policies and Procedures Adopted for the Induction and Training of Directors

An induction process has been developed and is delivered to all new Directors.

Organisational Structure

The management structure consists of the Members, the Directors, the Local Governing Boards, the Senior Management team and the Headteachers.

The aim of the management structure is to devolve responsibility to academy Local Governing Boards built on a system of earned autonomy based around the Schemes of Delegation. The Chief Executive of the Multi Academy Trust is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

Directors benchmark the pay and remuneration of key management personnel in various ways. Following the departure of the previous CEO a subcommittee of the Board of Directors led the recruitment for a replacement. The subcommittee worked with an external agency to assist in appointing to the post. They met to discuss and agree the salary range for the post, the job description and person specification and led the recruitment to shortlisting providing the full board with timely updates as and when appropriate. The salary for the post was benchmarked using information available from other diocesan MATs, widely available reports on Chief Executive pay in academy chains, other posts advertised at a similar time for trusts of a similar size. A key factor was affordability and ensuring value for money.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)**Trade Union facility time**

Relevant union officials

Number of employees who were relevant union officials during the	Full-time equivalent employee number
0	0

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	£0
Total pay bill	£19,100,000
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100	0 hours
--	---------

Related Parties and other Connected Charities and Organisations

DMAT's sponsor is the Diocese of Coventry

OBJECTIVES AND ACTIVITIES**Objects and Aims**

DMAT's object is 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.

Objectives, Strategies and Activities

DMAT aims to establish a network of successful academies within the Diocese of Coventry, which provide a high quality of education for our children. The trust aims to build a better future for all within our academies who in turn will positively impact their communities.

DMAT's first academy opened in April 2013 with one more following that academic year. Fourteen further academies opened between September 2013 and August 2018 and another two opened in the current financial year. DMAT will continue to work with local authorities, the Government and individual schools to raise the standards of education within the Diocese of Coventry.

Public Benefit

The Directors confirm they have referred to the Charity Commission's guidance on Public Benefit when reviewing DMAT's aims and objectives and in planning future activities for the year.

Achievements and Performance

This is the fifth year of operation of Diocese of Coventry Multi Academy Trust; the annual report covers the period from 1 September 2018 to 31 August 2019. At the start of the reporting year, the trust had 16 open academies. Two more schools joined us during the course of the year:

- 1 Long Itchington CE Academy (1 October 2018)
- 2 Southam St James CE Academy (1 October 2018)

All of our academies fall within Warwickshire and Coventry local authority areas and therefore the West Midlands Regional Schools Commissioner.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)**STRATEGIC REPORT****Expansion:**

During the academic/financial year 2019-20, DMAT plans to continue to expand to meet demand from schools. There is one school where the local governing board has voted to join DMAT and others are considering DMAT as a potential academy trust home. The Board of Directors will continue to manage academy conversions to ensure that DMAT has the capacity to support schools joining the Trust and also to maintain a balance of sponsored and convertor academies. To ensure financial viability, attention will also be paid to the numbers of pupils on roll. The total number of pupils the Trust currently educates is 4,500. This number of pupils means that DMAT received a capital funding allocation (SCA) directly from the Education Funding Agency to deploy strategically across our schools to address our priority maintenance and expansion needs.

Strategic developments 2018/2019:

A notable strategic development was the appointment of a replacement CEO for DMAT in August 2019, following the departure of the previous incumbent in December 2018. Until this time, the trust had grown under the leadership of an Interim Head of MAT post, which also carried the role of Head of Education so the move back to a full-time position was significant.

A further key appointment to the Trust is that of a new Headteacher for Harris CE Academy. After a disappointing set of results this year Directors are enthusiastic about the future of the academy. Pupil numbers are already increasing and the early signs of school improvement are positive.

Funding pressures resulted in a requirement to release two key posts from the central team. Delivery of the emerging strategic plan will ensure the capacity of the trust to continue to improve our academies does not suffer because of this action.

The trust secured £100,000 from the Multi Academy Trust Development and Improvement Fund (MDIF) to enable the delivery of a programme of school improvement, increase the capacity of the central team, support NQT development, improve our CPD and strengthen our ICT infrastructure.

Directors were delighted with the new immersive classroom at Queens CE Academy and are excited to see it used as a resource to increase educational standards across the trust.

After steady growth, the trust took an opportunity to take stock and review its position. The strategic conversions of Long Itchington CE Academy and Southam St James CE Academy added strength to the emerging clusters and further enabled the trust to support small church schools.

Educational Outcomes 2019**Trust Position: Ofsted:**

During the year 2018-19, St Laurence's CE Academy received their second inspection as a DMAT academy and retained their good judgement.

None of our academies received their first Ofsted inspection since joining the Trust. However, our track record of improving Ofsted judgements has been strong:

Ofsted grade on Joining the trust	
Outstanding	0
Good	8
Requires improvement	2
Inadequate	8

Ofsted grade in Autumn 2019*	
Outstanding	1
Good	12
Requires improvement	4
Inadequate	1

**includes grade of predecessor school if academy has not yet been inspected*

- 13 academies are now judged as good or better following Ofsted inspections in the Trust;
- Only 1 academy has an inadequate judgement, however this relates to the predecessor school. We await their first inspection as a DMAT academy;
- St Oswald's and Harris were both judged requires improvement while in DMAT, but for both that was an uplift and took them out of being classified as inadequate.
- The changes to Ofsted judgements in those academies that have been inspected whilst in the Trust. 1 school that was previously judged as 'Requires Improvement' has moved to 'Good' and 4 schools that were 'Inadequate' have also moved to 'Good' or 'Outstanding'.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

The table below shows the Ofsted judgements for the whole Trust. This includes those academies that are still carrying a judgement pre-conversion.

Inadequate	RI	Good	Outstanding
1	4	12	1
(predecessor school)	(1 is a predecessor school)	(8 are predecessor schools)	(0 are predecessor schools)

The table below pulls out some key quotes from all Ofsted inspections in the trust since May 2018. Directors are working with trust leaders to focus on the areas in need of further improvement.

Academy	Date	Type	Quotes
St Laurence's	03/19	S8	- The high standards you and your leaders have achieved in reading and mathematics and the recent improvements in writing mean that pupils are well prepared for the next stage of their education. Differences are also diminishing between the attainment of disadvantaged pupils and that of other pupils nationally. To improve further the school needs to improve teaching and speed up pupils' progress, particularly in mathematics and in Key Stage 2.
Harris	07/18	S5	- The personal development of pupils is good. The school has a caring ethos and ensures that pupils are well looked after and kept safe. To improve further the school needs to improve the quality of teaching, learning and assessment and strengthen pupils' progress, particularly in mathematics and key stage 3.
St Oswalds	07/18	S5	- Leaders, including governors and the academy trust, acknowledge that more work is needed to improve the school. They share a determination to do this. The academy trust commissions external reviews to gauge precisely how well the school is performing. Trust members provide good support for leaders through regular visits and meetings and the trust has paired the school with an outstanding school in order to develop good practice. - Leaders make good use of the pupil premium and SEN funding to provide additional support for pupils. This is leading to improved progress for pupils who are disadvantaged or who have SEN and/or disabilities. - The promotion of pupils' personal development, behaviour and welfare is good. Pupils are polite and respectful. Support provided enables them to become confident and mature individuals. - To improve further the school needs to improve outcomes in reading and writing.
St Michael's	06/18	S5	- Since the school converted to become an academy, the headteacher's vision and determination have been central to the rapid improvements seen across the school. Over the three years that the academy has been open, outcomes have continued to rise. - The quality of teaching in mathematics is excellent. - The provision for physical education (PE) and school sport is impressive. Leaders have made it a strong feature of the school's ethos. - The multi-academy trust has been an instrumental part of the rapid improvement seen in the school. the chief executive officer has successfully steered the school through a period of financial challenge. He and other trust Leaders provided astute support and challenge to the school. They have nurtured Leaders and have a genuine vision for getting the best for the community that the school serves. the lines of accountability and the model for school improvement are clear and robust. - To improve further the school needs to build further on the outstanding leadership and management.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

Trust Position: Ofsted: (cont'd)

Academy	Date	Type	Quotes
Leamington Hastings	05/18	S8	<p>- Because you are an experienced headteacher and a national leader of education, the trust appointed you as executive headteacher to tackle the issues they identified and improve outcomes. You acted swiftly to do so. You appointed a highly effective head of school from your outstanding infant school. You updated the curriculum, put in place rigorous assessment systems and provided extensive training to staff to improve the quality of teaching. As a result, there is a strong sense of purpose in the school, pupils are taught well, and outcomes are improving.</p> <p>- Leaders and those responsible for governance should ensure that the quality of teaching, learning and assessment is sustained and improved further.</p>

The three-year trend at Harris CE Academy was improving until the 2019 results which were significantly below 2018 and 2019 nationals in all aspects. The subjects which were in line or above nationals were humanities and languages (not reported above due to size of cohort). The charts below give further detail on 2018/19.



Overview

KS4 Attainment 2019 - Actual results
50 pupils

Attainment 8 (Overall)

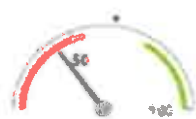
3.9 ↓



Significantly below the national average (4.4) ↓

% English & Maths (Grade 4+)

44% ↓



Significantly below the national average (55%) ↓

KS4 Progress 2019 - Value Added
52 included pupils

Progress 8 (Overall)

-0.43 ↓



Significantly below the national average (0) ↓

% English & Maths (Grade 4+)

-14% ↓



Significantly below the national average (19%) ↓

KS4 higher and lower performing pupil groups 2019

Overall achievement
(most progress)English
(most progress)Mathematics
(most progress)Subjects
(most progress)

Higher performing

Female (43)
No SEN (61)
Not FSM (or last 6 years) (63) ↓

History GCSE (19)
Baptism Studies Single GCSE (10)

Lower performing

FSM (13) ●
SEN Support (22) ●
FSM (or last 6 years) (22) ●
SEN Support (22) ●
FSM (13)
FSM (or last 6 years) (22) ●
FSM (15) ●
FSM (over) (21) ●
Autumn Term (26) ● ↓
Physical GCSE (48) ● ●
Computing GCSE (18) ● ↓
Chemistry GCSE (48) ●
Biology GCSE (48) ● ↓
Art & Design GCSE (26) ●

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

Harris - 2019 results and 2020 predictions:

SUBJECT	4-9 2019 %	2019 national %	2020 School pred %	5-9 2019 %	2019 national %	2020 School pred %
ENGLISH	69		77.4	49.5		60
MATHS	51		77.4	25		50.4
ENG & MATHS	44	64	70.4	23	43	41.7
AB (ave total)	38.8	46.55	46.02			
P8 (ave total)	-0.43	-0.03	0.219			

At the end of 2018/19, Directors appointed a new Headteacher at Harris CE Academy following the resignation of the former post holder. Leaders of Harris have set ambitious but attainable targets for Y11. Harris will be receiving extra school improvement support through the DfE school improvement initiative which will be targeted at developing leadership at all levels, particularly to ensure curriculum design meets the needs of the learners. Directors look forward to the first update on the impact of actions taken in the new year.

At the time of writing, validated school performance tables, at primary level, have not been published. However, the un-validated headline data informs the table below:

Outcomes Performance Measure		% of academies in line /+ national		% of academies above national	
		2018	2019	2018	2019
EYFS	14 schools	57	71	57	71
Year 1 Phonics	14 schools	57	64	50	64
End of KS1 at the Expected Standard: 14 schools					
Reading		64	64	64	64
Writing		57	86	50	71
Maths		50	71	50	64
RWM Combined [no national data]					
End of KS1 at Greater Depth: 14 schools					
Reading		43	64	43	57
Writing		43	57	43	57
Maths		43	64	43	64
End of KS2 at the Expected Standard: 16 schools					
Reading		50	60	44	50
Writing		44	69	44	69
Maths		44	38	38	38
RWM Combined		38	50	38	50
EGPS		50	50	50	50
End of KS2 at the Higher Standard: 16 schools					
Reading		38	44	38	44
Writing		63	44	63	44
Maths		38	44	31	44
EGPS		50	60	50	60

The table above demonstrates trustwide strengths in EYFS, year 1 phonics and writing across both key stages. It also shows that more than half of our academies are above national averages in KS1 but further work is required to continue to drive up standards across KS2.

- Most data improved from 2018 to 2019 except writing at greater depth in KS2.
- More schools are reaching expected standard at the end of KS1 in all subjects than at the end of KS2. The difference is greatest this year in maths and least significant in reading. This could be due to the KS1 children gaining more benefit from the revised programme of teaching for maths than the children at the end of KS2 who have not had the benefit of the programme through KS2.
- The focus over 2018-19 to get more children to greater depth at the end of KS1 has had impact.
- Fewer schools are taking pupils to greater depth overall at the end of KS2 than at the end of KS1. However the number of schools achieving greater depth in all subjects has improved from 2018 to 2019.
- This data does not allow for schools who were broadly in line with national averages.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)**Key Performance Indicators**

DMAT uses several financial key performance indicators to monitor and benchmark financial health and progress for its family of academies. These include staff cost as a percentage of total revenue grant income, staff cost as a percentage of total cost and capital expenditure per pupil.

Annually DMAT financial performance I compared against similar institutions, with results being shared with academy leaders and local governing bodies.

During 2018/19 a report was commissioned to review the financial health and viability of the Trust. The report was presented to the Trust Board with a view to informing and supporting strategic planning and growth of the Trust.

Secondary Schools

Harris Church of England Academy	2019	2018
Pupil numbers	636	655
Staff costs as a % of total revenue grant income	86%	90%
Staff costs as a % of total costs	70%	74%
Capital expenditure per pupil	£88	£195

Primary Schools

Stretton Church of England Academy	2019	2018
Pupil numbers	199	192
Staff costs as a % of total revenue grant income	82%	78%
Staff costs as a % of total costs	71%	73%
Capital expenditure per pupil	£256	£73
St Laurence's Church of England Primary School	2019	2018
Pupil numbers	403	397
Staff costs as a % of total revenue grant income	80%	75%
Staff costs as a % of total costs	75%	72%
Capital expenditure per pupil	£384	£48
St Bartholomew's Church of England Academy	2019	2018
Pupil numbers	248	284
Staff costs as a % of total revenue grant income	75%	80%
Staff costs as a % of total costs	73%	74%
Capital expenditure per pupil	£828	£67
Queens Church of England Academy	2019	2018
Pupil numbers	322	241
Staff costs as a % of total revenue grant income	70%	78%
Staff costs as a % of total costs	71%	73%
Capital expenditure per pupil	£600	£203
St James Church of England	2019	2018
Pupil numbers	210	214
Staff costs as a % of total revenue grant income	85%	83%
Staff costs as a % of total costs	75%	72%
Capital expenditure per pupil	£629	£47
St Nicolas Church of England Academy	2019	2018
Pupil numbers	422	419
Staff costs as a % of total revenue grant	83%	84%
Staff costs as a % of total costs	74%	75%
Capital expenditure per pupil	£193	£38
Studley St Mary's Church of England Academy	2019	2018
Pupil numbers	219	215
Staff costs as a % of total revenue grant	83%	85%
Staff costs as a % of total costs	73%	75%
Capital expenditure per pupil	£36	£391

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)**Key Performance Indicators (cont'd)**

St John's Church of England	2019	2018
Pupil numbers	211	201
Staff costs as a % of total revenue grant	80%	82%
Staff costs as a % of total costs	67%	71%
Capital expenditure per pupil	£150	£100
St Michael's Church of England Academy	2019	2018
Pupil numbers	359	298
Staff costs as a % of total revenue grant	91%	89%
Staff costs as a % of total costs	78%	77%
Capital expenditure per pupil	£105	£148
St Oswald's Church of England Academy	2019	2018
Pupil numbers	191	201
Staff costs as a % of total revenue grant	79%	85%
Staff costs as a % of total costs	69%	75%
Capital expenditure per pupil	£311	£289
Leamington Hastings Church of England Academy	2019	2018
Pupil numbers	31	35
Staff costs as a % of total revenue grant	83%	95%
Staff costs as a % of total costs	64%	69%
Capital expenditure per pupil	£451	£571
Leigh Church of England Academy	2019	2018
Pupil numbers	203	198
Staff costs as a % of total revenue grant	87%	88%
Staff costs as a % of total costs	73%	76%
Capital expenditure per pupil	£1,267	£35
Salford Priors Church of England Academy	2019	2018
Pupil numbers	47	43
Staff costs as a % of total revenue grant	71%	49%
Staff costs as a % of total costs	61%	54%
Capital expenditure per pupil	£1,188	£1,209
All Saints Church of England	2019	2018
Pupil numbers	141	138
Staff costs as a % of total revenue grant	87%	87%
Staff costs as a % of total costs	74%	70%
Capital expenditure per pupil	£200	£51
Burton Green Church of England Academy	2019	2018
Pupil numbers	102	107
Staff costs as a % of total revenue grant	81%	84%
Staff costs as a % of total costs	70%	68%
Capital expenditure per pupil	£109	£131
Long Itchington Church of England Academy	2019	2018
Pupil numbers	187	N/A
Staff costs as a % of total revenue grant	80%	N/A
Staff costs as a % of total costs	68%	N/A
Capital expenditure per pupil	£197	N/A
Southam St James Church of England Academy	2019	2018
Pupil numbers	175	N/A
Staff costs as a % of total revenue grant	92%	N/A
Staff costs as a % of total costs	74%	N/A
Capital expenditure per pupil	£116	N/A

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)**Key Performance Indicators (cont'd)**

Primary Schools	2019	2018
Pupil numbers (Total)	3,670	3,183
Staff costs as a % of total revenue grant	82%	82%
Staff costs as a % of total costs	73%	74%
Capital expenditure per pupil	£375	£136

DMAT has completed the Integrated Curriculum led Financial Planning benchmarking model and is analysing the information before implementing appropriate service improvements. The metrics from the Integrated Curriculum led Financial Planning (ICFP) exercise will be analysed alongside the KPIs above to build a suite of appropriate trustwide KPIs that dovetail with the trust's emerging Strategic Plan 2019-22.

Going Concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that DMAT 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

The majority of DMAT's funding comes through the General Annual Grant (GAG) from the Education and Skills Funding Agency (ESFA). This is used to help DMAT achieve the objectives set out earlier in this report and in the trust's Strategic Plan. DMAT's Central Team retain 5% of the GAG to fund the central support services, including academy improvement and a range of back office support. Directors have many examples of where central procurement of services has achieved better value for money than each academy operating independently. The grants received from the ESFA during the year and the associated expenditure are shown in the statement of financial activities.

DMAT continues to develop its network of professional partners supporting the business function of the academies and enabling the Headteachers in the academies to focus on teaching and learning.

The trust secured £100,000 from the Multi Academy Trust Development and Improvement Fund (MDIF) to enable the delivery of a programme of school improvement, increase the capacity of the central team, support NQT development, improve our CPD and strengthen our ICT infrastructure.

Directors are aware of their responsibility to spend their SCA allocation in the areas of most need. The trust was able to complete a competitive tender exercise to deliver site condition and non-compliance surveys across all of its academies, this programme enabled DMAT to invest £651k into building priorities in the past year.

All academies in the trust continue to use the BPS Budget Setting tool. Directors have approved a process of budgeting, reforecasting and common presentation of management accounts. This will ensure the academies, central team and Directors themselves fully understand variances to budgets and are kept abreast of financial performance across the trust.

Reserves Policy

The Directors review the reserve levels of the MAT annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors have determined that the appropriate level of reserves for the current number of academies should be equivalent to 4 weeks' expenditure, approximately £1,952,692 (2018, £1,693,230). The level of reserves will be reviewed and adjusted as new academies join the trust. The reason for this is to provide a 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.

Investment Policy

All investments are made in accordance with the trust's policy. This policy is one of minimum risk with all investments being held with the trust's bankers. Through the management of future cash flow there will be sufficient funds in main bank accounts to cover operational costs, whilst enabling balances to be invested in similar secure short-term higher interest deposit accounts. The investment policy will be reviewed in 2019-20.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)**Principle Risks and Uncertainties**

The principle risks and uncertainties and our strategies for managing these are identified in the DMAT Risk Register. Directors monitor the risks at each meeting.

Fundraising

DMAT academies conduct limited fundraising activities. These include activities on behalf of the academies delivered by, for example, parent teacher associations. A small number of lettings of academy facilities take place.

Plans for Future Periods

DMAT continues to have ambitions for steady and sensible growth. During the academic/financial year 2019-20, DMAT plans to continue to expand to meet demand from schools. There is one school where the local governing board has voted to join DMAT and others are considering DMAT as a potential academy trust home. The Board of Directors will continue to manage academy conversions to ensure that DMAT has the capacity to support schools joining the Trust and to maintain a balance of sponsored and convertor academies. To ensure financial viability, attention will also be paid to the numbers of pupils on roll. These academies will help us to ensure that our fixed costs are met while giving us an increased ability to provide a higher level of school improvement support.

Funds Held as Custodian Director on Behalf of Others

None

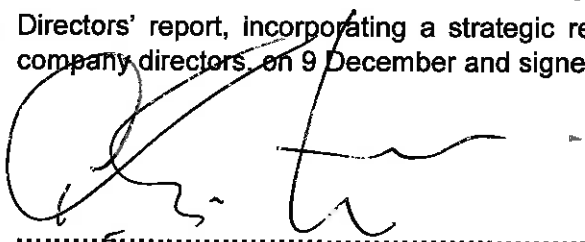
Auditor

Insofar as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the Directors 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.

Directors' report, incorporating a strategic report, was approved by order of the board of Directors, as the company directors, on 9 December and signed on the board's behalf by:



.....
P Law

Chair of Directors

9 December 2019

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2019**Scope of Responsibility**

As directors who are also the trustees under charity law, 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 directors has delegated day-to-day responsibility to the Chief Executive Officer for ensuring financial controls conform with the requirements of both propriety and good financial management in accordance with the requirements and responsibilities assigned to the Trust 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 directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here is in addition to information contained within the directors' report and in the Statement of Directors' Responsibilities. The board of directors has formally met 6 times during the year. Attendance during the year at meetings of the full board of directors was as follows:

Director	Meetings attended	Out of a Possible
Peter Law	4	6
David Morris (resigned 31 December 2018)	-	1
John Wade	4	6
Roger Medwell	4	6
Ian Dewes	6	6
Mandy Coalter	4	6
Ruth Marlow	5	6
Andrew Armbrister	6	6
Jason Slack	5	6
Paula Whitfield (appointed 6 July 2019)	-	1
Mr M Cowland (appointed 12 August 2019)	-	-

Resources Committee

The **Resources Committee** is a committee of the main board of directors. Its purpose is to maintain an oversight of DMAT's finances, the financial implications of human resources, payroll, administration, marketing, health & safety, premises, insurance, ICT and catering. The Resources Committee has no executive powers or operational responsibilities / duties. Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a Possible
Andrew Armbrister	1	1
Peter Law	1	1
Roger Medwell	1	1
David Morris (resigned 31 December 2018)	1	1
Mandy Coalter	1	1
Ruth Marlow	1	1

The Resources Committee only met once in the year before the choice was taken to bring all decisions and discussions to the Board of Directors. On reflection, Directors do not believe this is the best use of time and there are plans to re-establish a committee structure as part of a wider review of governance in the new year.

Review of Value for Money

As accounting officer, Mr M Cowland 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 trust's use of its resources has provided good value for money during each academic year, and reports to the board of directors where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for DMAT has delivered improved value for money during the year by:

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)**Review of Value for Money (cont'd)****Professional Services:**

All our academies continue to pay 5% of their General Annual Grant to provide an increasingly broad range of services. In consultation with our academy Headteachers, DMAT has committed to increasing the services provided wherever possible. Some examples of where the trust has been able to achieve greater value for money on the purchasing of professional services can be seen below:

- The trust achieved a one off saving of £14,500 alongside ongoing annual savings following a central website procurement exercise
- Brought photography in house, saving £7,500
- Saved over £10,000 through central procurement of training

The trust continues to complete all academy conversions without the requirement for an external project manager. This saves DMAT approximately £3,000 per academy conversion.

Employment:

The trust's full time CEO left the organisation in December 2018. DMAT temporarily seconded the Head of Education into the post of Interim Head of DMAT. This internal secondment resulted in financial savings. However, it was recognised that a trust of 18 academies requires a full time CEO alongside a dedicated Head of Education. Directors were successful in appointing a new CEO in August 2019 at the same salary as the former post holder.

Academy Improvement is delivered through a programme of school to school support. Four existing academy Headteachers have been identified and provide challenge and support to their peers. This model has proven to offer significantly greater value for money than the employment of dedicated Academy Improvement Officers.

The support structure of the trust will be fully reviewed in 2019/20. In the interim, the post of every member of support staff who leaves the organisation is reviewed. This has caused several posts to remain vacant and has resulted in financial savings.

In kind support from the Diocese of Coventry has included office space and associated occupation costs. DMAT is based within the Diocese of Coventry's education office and benefits from subsidised accommodation costs.

External funding:

The trust now receives approximately £500,000 of School Condition Allocation funding. This has been used to address the highest priority facility improvements across the 18 academies.

The trust secured £100,000 from the Multi Academy Trust Development and Improvement Fund (MDIF) to enable the delivery of a programme of school improvement, increase the capacity of the central team, support NQT development, improve our CPD and strengthen our ICT infrastructure.

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

The board of directors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of directors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of directors.

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)**The Risk and Control Framework**

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

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

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

- Review of payroll processes including monthly pay checks, variation to contracts, authorisation routines;
- Review of IR35 checks and compliance.

On an annual basis, the auditor reports to the board of directors on the operation of the systems of control and on the discharge of the board of directors financial responsibilities.

Review of Effectiveness

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

- the work of the internal audit
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the Head of Finance within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control 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 directors on 9 December and signed on its behalf by:



.....
P Law
Chair of Directors



.....
M Cowland
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of The Diocese of Coventry Multi-Academy Trust I have considered my responsibility to notify the academy trust board of directors and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the multi academy trust board of directors 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 2018.

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



M Cowland
Chief Executive Officer

9 December 2019

STATEMENT OF DIRECTORS' AND TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2019

The directors (who act as trustees of the DMAT and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' 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 directors to prepare financial statements for each financial year. Under company law the directors 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 directors are required to:

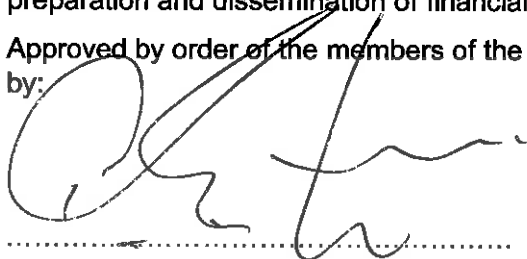
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 directors 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 directors 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 directors 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 directors on 9 December 2019 and signed on its behalf by:



P Law

Chair of Directors

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DIOCESE OF COVENTRY MULTI-ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2019**Opinion**

We have audited the financial statements of The Diocese of Coventry Multi Academy Trust (the 'academy trust') for the year ended 31 August 2019 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 2018 to 2019 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 2019, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors 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 2019 (cont'd)**Other information**

The directors are responsible for the other information. The other information comprises the information included in the directors' report, governance statement, statement on regularity, propriety and compliance and statement of directors responsibilities 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 directors' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' 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 directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' and trustees' responsibilities statement set out on page 20, the directors (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 directors 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 directors 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 directors 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 2019 (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 directors.
- Conclude on the appropriateness of the directors' 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

9 December 2019

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 2019

In accordance with the terms of our engagement letter dated 22 August 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2018 to 2019 we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by the DMAT during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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

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

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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 2019 (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 directors; 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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

..... UHY Hacker Young (Birmingham) LLP

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

9 December 2019

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2019
(Including Income and Expenditure Account)

		Unrestricted	Restricted	Restricted	Total	Total
	Note	Funds	General	Fixed	2019	2018
		£'000	Funds	Asset	£'000	£'000
			£'000	Funds		
Income from:						
Donations and capital grants	3	135	-	1,294	1,429	349
Transferred from local authority on conversion	3 & 29	173	(431)	5,200	4,942	7,580
Charitable activities:						
- Funding for the academy trust's educational operations	4	-	22,120	-	22,120	19,129
Other trading activities	5	797	-	-	797	702
Investment income	6	10	-	-	10	8
Total		1,115	21,689	6,494	29,298	27,768
Expenditure on:						
Raising funds	7	344	-	-	344	504
Charitable activities:						
- Academy trust's educational operations	7	-	23,493	1,548	25,041	21,508
Total		344	23,493	1,548	25,385	22,012
Net income/(expenditure)		771	(1,804)	4,946	3,913	5,756
Transfers between funds	17	(552)	302	250	-	-
Other recognised gains and losses						
Actuarial (loss/gain) on defined benefit pension schemes	27	-	(3,326)	-	(3,326)	1,900
Net movement in funds		219	(4,828)	5,196	587	7,656
Reconciliation of funds						
Total funds brought forward	17	2,094	(8,187)	57,484	51,391	51,391
Total funds carried forward	17	2,313	(13,015)	62,680	51,978	51,391

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

BALANCE SHEET AS AT 31 AUGUST 2019

	Note	2019 £'000	2018 £'000
Fixed assets			
Tangible assets	13	<u>62,559</u>	<u>57,473</u>
		<u>62,559</u>	<u>57,473</u>
Current assets			
Debtors	14	755	703
Cash at bank and in hand	24	<u>5,409</u>	<u>5,465</u>
		<u>6,164</u>	<u>6,168</u>
Current liabilities			
Creditors: Amounts falling due within one year	15	<u>(2,622)</u>	<u>(3,062)</u>
Net current assets		<u>3,542</u>	<u>3,106</u>
Total assets less current liabilities		66,101	60,579
Creditors: Amounts falling due after more than one year	16	<u>(22)</u>	<u>(26)</u>
Net assets excluding pension liability		<u>66,079</u>	<u>60,553</u>
Defined benefit pension scheme liability	27	<u>(14,101)</u>	<u>(9,162)</u>
Total Net Assets		<u><u>51,978</u></u>	<u><u>51,391</u></u>
Funds of the Academy:			
Restricted funds			
- Fixed asset fund	17	62,680	57,484
- Restricted income fund	17	1,086	975
- Pension reserve	17	<u>(14,101)</u>	<u>(9,162)</u>
Total Restricted Funds		<u>49,665</u>	<u>49,297</u>
Unrestricted income fund	17	<u>2,313</u>	<u>2,094</u>
Total Unrestricted Funds		<u>2,313</u>	<u>2,094</u>
Total Funds		<u><u>51,978</u></u>	<u><u>51,391</u></u>

The financial statements on pages 26 to 53 were approved by the directors and authorised for issue on 9 December 2019 and signed on their behalf by:



 P Law
 Chair of Directors

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £'000	2018 £'000
Cash flows from operating activities			
Net cash provided by operating activities	21	78	1,192
Cash flows from investing activities	22	(130)	(272)
Cash flows from financing activities	23	(4)	(3)
Change in cash and cash equivalents in the reporting period		<u>(56)</u>	<u>917</u>
Cash and cash equivalents at 1 September		5,465	4,548
Cash and cash equivalents at 31 August	24	<u>5,409</u>	<u>5,465</u>

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

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 2018 to 2019 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 school 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 29.

Going Concern

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

- **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 2019 (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 2019 (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 Land & 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 notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

Pensions Benefits (cont'd)

The LGPS is a multi funded employer 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 directors. 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 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The critical judgements that the directors 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 directors 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 2019 (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 2019 (see note 17).

3 DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Devolved formula capital grant	-	319	319	137
CIF grant	-	38	38	2
ACMF	-	18	18	-
LA fixed assets transferred	-	5,200	5,200	8,250
LA prior years surplus b/fwd	173	-	173	209
LA LGPS pension deficit transferred	-	(431)	(431)	(879)
SCA Grant	-	860	860	79
School fund	-	-	-	12
Donations	135	9	144	77
EIG Grant	-	-	-	39
Other capital grants	-	50	50	3
	<u>308</u>	<u>6,063</u>	<u>6,371</u>	<u>7,929</u>

The income from donations and capital grants was £6,371,000 (2018: £7,929,000) of which £308,000 (2018: £268,000) was unrestricted, £431,000 net deficit (2018: £870,000 net deficit) on restricted and £6,494,000 (2018: £8,531,000) restricted fixed assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

4 FUNDING FOR THE DMAT'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
DfE/ESFA grants				
General annual grant (GAG) (note 2)	-	18,098	18,098	15,633
Rates relief	-	81	81	67
Start up grant	-	75	75	50
Conversion grant	-	-	-	100
Pupil premium grant	-	1,458	1,458	1,336
Year 7 catch up	-	16	16	17
PE and sports grant	-	304	304	228
UFSM grant	-	394	394	291
Teachers pay grant	-	148	148	-
Other DfE grants	-	108	108	1
	-	20,682	20,682	17,808
Other Government grants				
Teach first	-	10	10	14
Special needs grant - LA	-	411	411	329
Pupil premium grant - LA	-	100	100	67
Early years funding grant - LA	-	566	566	519
Children Centre grant - LA	-	196	196	216
Other Grants - LA	-	22	22	57
Skills for Employment Grant - WCC	-	3	3	-
Additional growth funding grant - WCC	-	102	102	103
	-	1,410	1,410	1,305
Other income from the academy trust's educational operations	-	28	28	16
	-	28	22,120	19,129

The income from the academy trusts's educational operations was restricted for both 2019 and 2018.

5 OTHER TRADING ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Lettings income	114	-	114	54
Sports Centre income	118	-	118	107
School Sports Partnership income	200	-	200	191
Sundry income	278	-	278	259
EWE club income	45	-	45	58
Nursery fees	42	-	42	33
	797	-	797	702

The income from the academy trusts's other trading activities was unrestricted for both 2019 and 2018.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

6 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Bank interest received	10	-	10	8
	<u>10</u>	<u>-</u>	<u>10</u>	<u>8</u>

The income from the academy trusts's investment income was unrestricted for both 2019 and 2018.

7 EXPENDITURE

	Staff Costs £'000	Non Pay Expenditure Premises Other Costs £'000 £'000		Total 2019 £'000	Total 2018 £'000
Expenditure on raising funds					
- Direct costs	231	-	47	278	316
- Allocated support costs	2	29	35	66	188
Academy's educational operations					
- Direct costs	14,407	-	1,353	15,760	13,670
- Allocated support costs	4,460	2,749	2,072	9,281	7,838
	<u>18,867</u>	<u>2,749</u>	<u>3,425</u>	<u>25,041</u>	<u>21,508</u>
	<u>19,100</u>	<u>2,778</u>	<u>3,507</u>	<u>25,385</u>	<u>22,012</u>

The expenditure was £25,385,000 (2018: £22,012,000) of which £344,000 (2018: £504,000) was unrestricted, £23,493,000 (2018: £20,350,000) restricted and £1,548,000 (2018: £1,158,000) restricted fixed assets.

Net income/(expenditure) for the year includes:

	2019 £'000	2018 £'000
Operating leases rentals	64	42
Depreciation	1,548	1,158
Fees payable to auditor for:		
- audit	42	39
- other services	5	11

Included within expenditure are the following transactions:

	Individual items Amount Reason/ £ nature
Ex-gratia payment (note 9)	20,625 Termination

8 CHARITABLE ACTIVITIES

	Total 2019 £'000	Total 2018 £'000
Direct costs - educational operations	15,760	13,670
Support costs - educational operations	9,281	7,838
	<u>25,041</u>	<u>21,508</u>
Analysis of Support Costs		
Support staff costs	4,460	4,119
Depreciation	1,548	1,158
Technology costs	422	257
Premises costs	1,201	877
Other support costs	1,302	1,119
Governance	348	308
	<u>9,281</u>	<u>7,838</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

9 STAFF COSTS**a Staff costs**

	Total 2019 £'000	Total 2018 £'000
Staff costs during the year were:		
Wages and salaries	13,489	11,673
Social security costs	1,199	1,033
Pension costs	3,512	3,215
	<u>18,200</u>	<u>15,921</u>
Agency staff costs	786	859
Staff restructuring costs	114	71
	<u>19,100</u>	<u>16,851</u>
Staff restructuring costs comprise:		
Redundancy payments	-	46
Severance payments	33	25
Other restructuring costs	60	-
Ex-gratia payment (note 7)	21	-
	<u>114</u>	<u>71</u>

b Staff severance payments

Included in staff restructuring costs is £33,125 (2018 : £25,283) non statutory/non contractual severance payments. Individually the payments were for £12,000 (21 December 2018), £4,725 (21 August 2019), £3,200 (5 August 2019) and £13,200 (21 May 2019).

c Staff numbers

The average number of persons (including senior management team) employed by the academy trust during the year ended 31 August 2019 expressed as whole persons was as follows:

	2019 No	2018 No
Charitable Activities		
Teachers	191	169
Administration and support	462	487
Management	58	57
	<u>711</u>	<u>713</u>

d Higher paid staff

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

	2019 No	2018 No
£60,001 - £70,000	11	3
£70,001 - £80,000	1	-
£80,001 - £90,000	-	3
£90,001 - £100,000	1	1

e Key management personnel

The key management of the DMAT comprise the directors and the senior management team as listed on pages 3 & 4. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,719,129 (2018: £1,469,285).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

10 CENTRAL SERVICES

The DMAT has provided the following central services to the schools listed below;

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

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:

	2019 £'000	2018 £'000
Stretton Church of England Academy	49	47
St Laurence's Church of England Primary School	85	86
St Bartholomew's Church of England Academy	61	64
Queens Church of England Academy	62	52
Harris Church of England Academy	165	169
St James Church of England Academy	41	40
St Nicolas Church of England Academy	72	68
Studley St Mary's Church of England Academy	42	42
St John's Church of England Academy	43	42
St Michael's Church of England Academy	67	59
St Oswald's Church of England Academy	40	39
Leamington Hastings Church of England Academy	13	12
Leigh Church of England Academy	45	37
Salford Priors Church of England Academy	12	14
All Saints Church of England Academy	27	18
Burton Green Church of England Academy	22	15
Long Itchington Church of England Academy	35	-
Southam St James Church of England Academy	34	-
	915	804

11 RELATED PARTY TRANSACTIONS - DIRECTORS' REMUNERATION AND EXPENSES

One or more directors 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 director. Other directors did not receive any payments, other than expenses, from the DMAT in respect of their role as directors. The value of director's remuneration and other remuneration was as follows:

M Cowland (Chief Executive Officer) - appointed 12 August 2019

Remuneration	£0 - £5,000	(2018: £Nil - £Nil)
Employers pension contributions	£0 - £5,000	(2018: £Nil - £Nil)

D Morris (Chief Executive Officer) - resigned 31 December 2018

Remuneration	£90,000 - £95,000	(2018: £85,000 - £90,000)
Employers pension contributions	£5,000 - £10,000	(2018: £5,000 - £10,000)

L Nash (Interim Chief Executive Officer)

Remuneration	£60,000 - £65,000	(2018: £Nil - £Nil)
Employers pension contributions	£0,000 - £15,000	(2018: £Nil - £Nil)

During the year ended 31 August 2019, travel and subsistence expenses totalling £364 were reimbursed or paid (2018: £164) to 1 director.

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

12 DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect directors' 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 2019 was £830 (2018: £933). The cost of this insurance is included in the total insurance cost.

13 TANGIBLE FIXED ASSETS

	Leasehold				
	Land & Buildings	Furniture & Equipment	Computer Equipment	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2018	60,120	1,290	359	78	61,847
Transfer on conversion	5,200	-	-	-	5,200
Additions	1,289	80	65	-	1,434
Disposals	-	-	-	-	-
At 31 August 2019	66,609	1,370	424	78	68,481
Depreciation					
At 1 September 2018	3,541	578	204	51	4,374
Charged in year	1,265	183	85	15	1,548
Disposals	-	-	-	-	-
At 31 August 2019	4,806	761	289	66	5,922
Net book value					
At 31 August 2019	61,803	609	135	12	62,559
At 31 August 2018	56,579	712	155	27	57,473

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 2018/19 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. Leigh Church of England Academy £2,796,000, Salford Priors Church of England Academy £1,800,000, All Saints Church of England Academy £1,891,000, Burton Green Church of England Academy £1,222,000, Long Itchington Church of England Academy £2,950,000 and Southam St James Church of England Academy £2,250,000.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

14 DEBTORS

	2019 £'000	2018 £'000
Trade debtors	54	64
VAT recoverable	163	158
Other debtors	40	110
Prepayments and accrued income	498	371
	<u>755</u>	<u>703</u>

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £'000	2018 £'000
Trade creditors	630	575
Taxation and Social Security	532	532
Other creditors	49	153
Accruals	444	470
Deferred income	967	1,332
	<u>2,622</u>	<u>3,062</u>

Deferred Income

	2019 £'000	2018 £'000
Deferred income at 1 September 2018	1,332	1,001
Resources deferred in the year	967	1,332
Amounts released from previous years	(1,332)	(1,001)
Deferred income at 31 August 2019	<u>967</u>	<u>1,332</u>

At the balance sheet date the DMAT was holding funds received in advance for 2019/20 by Central Services: £504,643 (2018: £872,221); St Laurence's Church of England Primary School: £28,195 (2018: £21,541) Stretton Church of England Academy £14,276 (2018 : £12,236); Harris Church of England Academy £165,764 (2018 : £156,237); Queens Church of England Academy £2,561 (2018: £33,259); St Bartholomew's Church of England Academy £16,777 (2018 : £20,666); St James Church of England Academy: £2,146 (2018: £3,481); St Nicolas Church of England Academy: £41,040 (2018: £38,396), Studley St Mary's Church of England Academy: £2,964 (2018: £2,572); St John's Church of England Academy £20,776 (2018: £32,467), St Michael's Church of England Academy £47,869 (2018: £65,738), St Oswalds Church of England Academy £18,515 (2018: £14,977) and Leamington Hastings Church of England Academy £7,138 (2018: £8,668). Leigh Church of England Academy £18,333 (2018: £13,256), Salford Priors Church of England Academy £3,791 (2018: £2,648), All Saints Church of England Academy £20,680 (2018: £14,274), Burton Green Church of England Academy £13,100 (2018: £19,252). Long Itchington Church of England Academy £18,100 and Southam St James Church of England Academy £18,518. 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 1 year as follows:

	2019 £'000	2018 £'000
Salix loan	<u>22</u>	<u>26</u>

In 2015 the DMAT took out ESFA approved, interest free Salix loans with outstanding balances due after 1 year as at 31 August 2019 of: St Bartholomew's Church of England Academy £13,966 (2018: £16,759); St James Church of England Academy £4,995 (2018: £5,994) and Studley St Mary's Church of England Academy £2,895 (2018: £3,722) payable over 8 years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

17 FUNDS

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

	Balance at 1 September 2018 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General annual grant (GAG) (note i)	884	18,098	(18,198)	302	1,086
Pupil premium grant (note iii)	-	1,458	(1,458)	-	-
PE and sports grant (note v)	-	304	(304)	-	-
Year 7 catch up (note vi)	-	16	(16)	-	-
Teach first (note vii)	-	10	(10)	-	-
UIFSM grant (note viii)	-	394	(394)	-	-
Rates relief	-	81	(81)	-	-
Special needs grant - LA (note ix)	-	411	(411)	-	-
Pupil premium grant - LA (note iii)	-	100	(100)	-	-
Early years funding grant - LA (note x)	-	566	(566)	-	-
Children Centre grant - WCC (note xi)	-	196	(196)	-	-
Other EFA grant (note xii)	54	3	(57)	-	-
School funds (note xiii)	37	-	(37)	-	-
Skills for employment grant - WCC (note xiv)	-	3	(3)	-	-
Other grants - LA (note xv)	-	124	(124)	-	-
Other grants - non government (note xvi)	-	28	(28)	-	-
Teacher Pay Grant	-	148	(148)	-	-
Start up Grant	-	75	(75)	-	-
MDIF Grant	-	105	(105)	-	-
Total general funds carried forw'd	975	22,120	(22,311)	302	1,086
Restricted fixed asset funds					
Fixed assets donation - LA (note xvii)	53,541	5,200	(1,265)	-	57,476
Devolved formula capital grant (note xix)	211	319	(71)	-	459
ACMF - capital (note xix)	943	18	(24)	-	937
CIF grant (note xviii)	1,526	38	(40)	-	1,524
Capital expenditure from GAG (note xix)	512	-	(77)	250	685
Capital expenditure from unrestricted funds (note xix)	8	-	(4)	-	4
SCA grant (note xix)	569	860	(59)	-	1,370
Other capital grants (note xix)	114	50	(3)	-	161
Fixed asset donations - non-government (note xvi)	21	9	(4)	-	26
EIG Grant	39	-	(1)	-	38
Total fixed asset funds	57,484	6,494	(1,548)	250	62,680
Restricted pension scheme liability					
Pension reserve (note xx)	(9,162)	(431)	(1,182)	(3,326)	(14,101)
	(9,162)	(431)	(1,182)	(3,326)	(14,101)
Total restricted funds	49,297	28,183	(25,041)	(2,774)	49,665
Unrestricted funds					
Unrestricted funds	735	742	(187)	(418)	872
LA prior years surplus b/fwd	1,079	173	-	(134)	1,118
School Sports Partnership funds	280	200	(157)	-	323
Total unrestricted funds	2,094	1,115	(344)	(552)	2,313
Total funds	51,391	29,298	(25,385)	(3,326)	51,978

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (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 2019 (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) Various 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 2018 (cont'd)

17 FUNDS (cont'd)

Comparative information in respect of the preceeding period is as follows:

	Balance at 1 September 2017 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General annual grant (GAG) (note i)	1,120	15,633	(15,803)	(66)	884
Pupil premium grant (note iii)	-	1,336	(1,336)	-	-
PE and sports grant (note v)	-	228	(228)	-	-
Year 7 catch up (note vi)	-	17	(17)	-	-
Teach first (note vii)	-	14	(14)	-	-
UIFSM grant (note viii)	-	291	(291)	-	-
Rates relief	-	67	(67)	-	-
Special needs grant - LA (note ix)	-	329	(329)	-	-
Pupil premium grant - LA (note iii)	-	67	(67)	-	-
Early years funding grant - LA (note x)	-	519	(519)	-	-
Children Centre grant - WCC (note xi)	-	216	(216)	-	-
Other EFA grant (note xii)	-	236	(182)	-	54
School funds (note xiii)	66	9	(38)	-	37
Other grants - WCC (note xv)	-	154	(154)	-	-
Other grants - Nicholas Chamberlain (note xvi)	-	22	(22)	-	-
Total general funds carried forw'd	1,186	19,138	(19,283)	(66)	975
Restricted fixed asset funds					
Fixed assets donation - LA (note xvii)	46,223	8,250	(932)	-	53,541
Devolved formula capital grant (note xix)	105	137	(31)	-	211
ACMF - capital (note xix)	1,027	-	(84)	-	943
CIF grant (note xviii)	1,568	2	(44)	-	1,526
Capital expenditure from GAG (note xix)	253	-	(32)	291	512
Capital expenditure from unrestricted funds (note xix)	11	-	(3)	-	8
SCA grant (note xix)	515	79	(25)	-	569
Other capital grants (note xix)	99	18	(3)	-	114
Fixed asset donations - non-government (note xvi)	19	6	(4)	-	21
EIG Grant	-	39	-	-	39
Total fixed asset funds	49,820	8,531	(1,158)	291	57,484
Restricted pension scheme liability					
Pension reserve (note xx)	(9,116)	(879)	(1,067)	1,900	(9,162)
Total restricted funds	41,890	26,790	(21,508)	2,125	49,297
Unrestricted funds					
Unrestricted funds	505	578	(351)	3	735
LA prior years surplus b/fwd	1,111	209	-	(241)	1,079
School Sports Partnership funds	229	191	(153)	13	280
Total unrestricted funds	1,845	978	(504)	(225)	2,094
Total funds	43,735	27,768	(22,012)	1,900	51,391

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

17 FUNDS (cont'd)

TOTAL FUNDS ANALYSIS BY ACADEMY

Fund balances at 31 August 2019 were allocated as follows:

	2019	2018
	£'000	£'000
Stretton Church of England Academy	228	262
St Laurence's Church of England Primary School	682	706
St Bartholomew's Church of England Academy	462	328
Queens Church of England Academy	183	115
Harris Church of England Academy	915	749
St James Church of England Academy	128	133
St Nicolas Church of England Academy	93	80
Studley St Mary's Church of England Academy	95	94
St John's Church of England Academy	166	177
St Michael's Church of England Academy	117	84
St Oswald's Church of England Academy	57	37
Leamington Hastings Church of England Academy	45	67
Leigh Church of England Academy	(69)	(4)
Salford Priors Church of England Academy	74	79
All Saints Church of England Academy	33	37
Burton Green Church of England Academy	71	61
Long Itchington Church of England Academy	50	-
Southam St James Church of England Academy	16	-
Central services	53	64
Total before fixed assets and pension reserve	3,399	3,069
Restricted fixed assets fund	62,680	57,484
Pension reserve	(14,101)	(9,162)
	48,579	48,322
Total	51,978	51,391

Leigh Church of England Academy is carrying a net deficit of £69,349 because of; non-recurrent staff restructuring costs and exceptional agency costs incurred during the year. The expectation is that the academy will return to an in-year surplus position by the end of 2019-20.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

17 FUNDS (cont'd)

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching & Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excluding Deprec'n)	Total 2019	Total 2018
	£'000	£'000	£'000	£'000	£'000	£'000
Stretton	793	172	80	187	1,232	1,125
St Laurence's	1,269	335	107	251	1,962	1,912
St Bartholomew's	935	221	77	181	1,414	1,505
Queens	839	195	124	182	1,340	1,248
Harris	2,214	915	273	461	3,863	3,971
St James	646	158	39	113	956	929
St Nicolas	1,170	207	88	234	1,699	1,590
Studley St Mary's	665	123	75	98	961	959
St John's	631	131	77	197	1,036	982
St Michael's	1,714	421	139	255	2,529	2,243
St Oswald's	665	131	71	156	1,023	1,020
Leamington Hastings	213	50	23	81	367	355
Leigh C of E	838	168	66	200	1,272	893
Salford Priors	187	45	42	56	330	324
All Saints	464	73	26	104	667	350
Burton Green	359	72	19	116	566	286
Long Itchington	490	82	31	133	736	-
Southam St James	533	75	25	114	747	-
Central services	13	888	18	218	1,137	1,162
DMAT	14,638	4,462	1,400	3,337	23,837	20,854

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds £'000	Pension Restricted Funds £'000	School Fund Restricted Funds £'000	General Restricted Funds £'000	Fixed Assets Restricted Funds £'000	Total £'000
Tangible fixed assets	-	-	-	-	62,559	62,559
Current assets	2,313	-	-	3,730	121	6,164
Current liabilities	-	-	-	(2,622)	-	(2,622)
Non-current liabilities	-	-	-	(22)	-	(22)
Pension scheme liability	-	(14,101)	-	-	-	(14,101)
	2,313	(14,101)	-	1,086	62,680	51,978

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds £'000	Pension Restricted Funds £'000	School Fund Restricted Funds £'000	General Restricted Funds £'000	Fixed Assets Restricted Funds £'000	Total £'000
Tangible fixed assets	-	-	-	-	57,473	57,473
Current assets	2,094	-	37	4,026	11	6,168
Current liabilities	-	-	-	(3,062)	-	(3,062)
Non-current liabilities	-	-	-	(26)	-	(26)
Pension scheme liability	-	(9,162)	-	-	-	(9,162)
	2,094	(9,162)	37	938	57,484	51,391

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

19 CAPITAL COMMITMENTS

	2019 £'000	2018 £'000
Contracted for, but not provided in the financial statements	16	77
Authorised by directors, but not yet contracted	Nil	Nil

20 COMMITMENTS UNDER OPERATING LEASES

Operating leases

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

	2019 £'000	2018 £'000
Operating leases which expire:		
Within one year	61	45
Within two to five years	46	67
	<u>107</u>	<u>112</u>

21 RECONCILIATION OF NET INCOME TO CASH FLOW FROM OPERATING ACTIVITIES

	2019 £'000	2018 £'000
Net income for the reporting period (as per the statement of financial activities)	3,913	5,756
Adjusted for:		
Depreciation (note 13)	1,548	1,158
Fixed assets donation	(5,200)	(8,250)
LGPS pension deficit transfer	431	879
Capital grants from DfE and other capital income	(1,294)	(281)
Interest receivable	(10)	(8)
Defined benefit pension scheme cost less contributions payable (note 27)	918	816
Defined benefit pension scheme finance cost (note 27)	264	251
Increase in debtors	(52)	(64)
(Decrease)/increase in creditors	(440)	935
Net cash provided by operating activities	<u>78</u>	<u>1,192</u>

22 CASH FLOWS FROM INVESTING ACTIVITIES

	2019 £'000	2018 £'000
Interest received	10	8
Purchase of tangible fixed assets	(1,434)	(561)
Capital grants from DfE/ESFA	1,235	257
Capital funding received from sponsors and others	59	24
Receipts from sale of tangible fixed assets	-	-
Net cash used in investing activities	<u>(130)</u>	<u>(272)</u>

23 CASH FLOWS FROM FINANCING ACTIVITIES

	2019 £'000	2018 £'000
Repayments of borrowing	(4)	(3)
Cash inflows from new borrowing	-	-
Net cash used in financing activities	<u>(4)</u>	<u>(3)</u>

24 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 31 Aug 2019 £'000	At 31 Aug 2018 £'000
Cash in hand and at bank	5,409	5,465
Total cash and cash equivalents	<u>5,409</u>	<u>5,465</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

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.

27 PENSION AND SIMILAR OBLIGATIONS

The academy trust'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 2019 was £3,512,000 (2018: £3,215,000) of which £1,257,000 (2018: £1,057,000) relates to the TPS and £2,255,000 (2018: £2,158,000) 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.

Contributions amounting to £275,000 were payable to the schemes at 31 August 2019 (2018: £264,000) and are included within creditors.

Teachers' Pension Scheme**Introduction**

The TPS is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

27 PENSION AND SIMILAR OBLIGATIONS (cont'd)**Valuation of the Teachers' Pension Scheme**

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

Scheme Changes

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

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

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

The employers costs paid to TPS in the period amounted to £1,257,000 (2018: £1,057,000).

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 2019 was £2,568,000 (2018: £2,434,000) of which employers contributions totalled £2,255,000 (2018: £2,158,000) and employees contributions totalled £313,000 (2018: £276,000). The agreed employers contributions for future years are 17.6% (2018: 17.6%) for Stretton Church of England Academy, 19.6% (2018: 19.6%) for St Laurence's Church of England Primary School, 18.7% (2018: 18.7%) for St Bartholomew's Church of England Academy, 23.3% (2018: 22.8%) for Queens Church of England Academy, 23.3% (2018: 22.8%) for Harris Church of England Academy, 23.3% (2018: 22.8%) for St James Church of England Academy School, 23.3% (2018: 22.8%) for St Nicolas Church of England Academy, 23.3% (2018: 22.8%) for Studley St Mary's Church of England Academy, 20.7% (2018: 20.7%) for St John's Church of England Academy, 23.3% (2018: 22.8%) for St Michael's Church of England Academy, 23.3% (2018: 22.8%) for St Oswald's Church of England Academy, 23.3% (2018: 22.8%) for Leamington Hastings Church of England Academy and 22.8% (2018: 22.8%), Leigh Church of England Academy 20.3% (2018: 20.3%), Salford Priors Church of England Academy 20.3% (2018: 20.3%), All Saints Church of England Academy 20.3% (2018: 20.3%), Burton Green Church of England Academy 23.3% (2018: 22.8%), Long Itchington Church of England Academy 23.3% and South St James Church of England Academy 23.3%. For The Diocese of Coventry Administration Centre the agreed contributions for employees are 5.8% (2018: 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

27 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Principal Actuarial Assumptions

The major assumptions used by the actuary were:	At 31 August 2019 % per annum	At 31 August 2018 % per annum
Discount rate	1.8%	2.8%
Salary increases	3.1%	3.2%
Pension increase	2.3%	2.4%

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

	At 31 August 2019 Approx Change to Employers Liability £'000	At 31 August 2018 Approx Change to Employers £'000
Discount rate reduced by 0.5% per annum	3,450	2,430
Salary increase by 0.5% per annum	472	376
Pension rate increase by 0.5% per annum	2,928	2,131

The mortality assumptions used were as follows:

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

	At 31 August 2019 years	At 31 August 2018 years
Longevity at age 65 retiring today		
- Men	21.3	22.3
- Women	23.5	24.6
Longevity at age 65 retiring in 20 years		
- Men	22.5	24.2
- Women	25.0	25.9

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

	Fair value at 31 August 2019 £'000	Fair value at 31 August 2018 £'000
Equity instruments	8,381	7,026
Debt instruments	3,259	2,231
Property	1,556	1,258
Cash	214	355
Other	376	282
Total market value of assets	13,786	11,152
Present value of scheme liabilities		
- Funded	(13,786)	(11,152)
- Unfunded	(14,101)	(9,162)
Total liabilities	(27,887)	(20,314)
Deficit in the scheme	(14,101)	(9,162)

The actual return on the scheme assets in the year was £780,000 (2018: £397,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

27 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Amounts recognised in the Statement of Financial Activities

	2019	2018
	£'000	£'000
Current service cost	1,755	1,901
Past service cost	236	6
Interest income	(342)	(250)
Interest cost	606	501
Total operating charge	2,255	2,158

	2019	2018
	£'000	£'000
Changes in deficit during the year		
Balance at 1 September 2018	9,162	9,116
Balance at admission date	431	879
Movement in year:		
- Employer service cost (net of employee contributions)	1,991	1,907
- Employer contributions	(1,073)	(1,091)
- Expected return on scheme assets	(342)	(250)
- Interest cost	606	501
- Actuarial losses/(gains)	3,326	(1,900)
Deficit in the scheme at 31 August 2019	14,101	9,162

	2019	2018
	£'000	£'000
Changes in the present value of defined benefit obligations were as follows:		
Balance at 1 September 2018	20,314	18,208
Scheme liabilities at admission date	1,039	1,297
Past service cost	236	6
Current service cost	1,755	1,901
Interest cost	606	501
Contributions by scheme participants	313	276
Benefits paid	(133)	(123)
Actuarial losses/(gains)	3,757	(1,752)
Scheme liabilities at 31 August 2019	27,887	20,314

	2019	2018
	£'000	£'000
Changes in the fair value of the DMAT's share of scheme assets:		
Balance at 1 September 2018	11,152	9,092
Fair value of scheme assets at admission date	608	418
Expected return on scheme assets	342	250
Actuarial gains	431	148
Contributions by employer	1,073	1,091
Benefits paid	(133)	(123)
Contributions by scheme participants	313	276
Fair value of scheme assets at 31 August 2019	13,786	11,152

The estimated value of employer contributions for the year ended 31 August 2020 is £1,162,000 (2019: £1,102,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

28 RELATED PARTY TRANSACTIONS

Owing to the nature of the DMAT's operations and the composition of the board of directors 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 directors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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 R Marlow (Director of the DMAT board) is a director 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 £34,985 (2018: £72,013) and the balance outstanding at 31 August 2019 was £1,920 (2018: £11,125).

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 £Nil (2018: £66,527) and there was a balance outstanding of £Nil at 31 August 2019 (2018: £Nil).

Mrs R Marlow (Director of the DMAT board) 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. Transactions for the year totalled £7,628 (2018: £10,171) and there was a balance outstanding of £Nil (2018: £10,171) at 31 August 2019.

Mr M Twigg is the proprietor of Michael Twigg Services who charge the DMAT for grounds maintenance at multiple schools across the DMAT. Mr Twigg's wife and sister are local governors at Leigh School. Transactions during the year totalled £10,870 (2018: £9,260), and there was a balance outstanding of £Nil as 31 August 2019 (2018: £Nil).

In entering into the transactions the trust has complied with the requirements of the Academies Financial Handbook 2018.

The elements above £2,500 have been provided "at no more than cost". DBE, Michael Twigg Services and Together for Change have all provided a statement of assurance confirming this.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

29 CONVERSION TO AN ACADEMY TRUST

On 1 October 2018 the Long Itchington Church of England Academy converted to Academy status under the Academies Act 2010. On 1 October 2018 Southam St James Church of England Academy converted to Academy status under the Academies Act 2010. All the operations and assets and liabilities were transferred to the DMAT from Warwickshire County Council for nil consideration.

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

Long Itchington Church of England Academy	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£'000	£'000	£'000	£'000
Leasehold land and buildings	-	-	2,950	2,950
Budget surplus on LA funds	84	-	-	84
LGPS pension deficit	-	(156)	-	(156)
Net assets/(liabilities)	84	(156)	2,950	2,878

The above net assets/liabilities include £84,000 that were transferred as cash.

From 1 October 2018, 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.

Southam St James Church of England Academy	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£'000	£'000	£'000	£'000
Leasehold land and buildings	-	-	2,250	2,250
Budget surplus on LA funds	89	-	-	89
LGPS pension deficit	-	(275)	-	(275)
Net assets/(liabilities)	89	(275)	2,250	2,064

The above net assets/liabilities include £89,000 that were transferred as cash.

From 1 October 2018, 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

29 CONVERSION TO AN ACADEMY TRUST (Continued)

The remaining conversions to an academy trust disclosed on pages 52 and 53 all took place during the previous financial year. These have been included for comparative information.

On 1 December 2017 the Leigh Church of England Academy converted to Academy status under the Academies Act 2010. On 1 January 2018 Salford Priors Church of England Academy converted to Academy status under the Academies Act 2010. On 1 March 2018 All Saints Church of England Primary School converted to Academy status under the Academies Act 2010. On 1 March 2018 Burton Green Church of England Primary School converted to Academy status under the Academies Act 2010. All the operations and assets and liabilities were transferred to the DMAT from Coventry City Council for nil consideration.

The transfers have 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 tables 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	
	Funds	General	Fixed Asset	
Leigh Church of England Academy	Funds	Funds	Funds	Total Funds
	£'000	£'000	£'000	£'000
Leasehold land and buildings	-	-	2,796	2,796
Budget surplus on LA funds	24	-	-	24
LGPS pension deficit	-	(482)	-	(482)
Net assets / (liabilities)	24	(482)	2,796	2,338

The above net assets/liabilities include £17,000 that were transferred as cash.

From 1 December 2017, the leasehold land and buildings were transferred on a 125 year lease at a peppercorn rent from Warwickshire County Council to the DMAT.

	Unrestricted	Restricted	Restricted	
	Funds	General	Fixed Asset	
Salford Priors Church of England Academy	Funds	Funds	Funds	Total Funds
	£'000	£'000	£'000	£'000
Leasehold land and buildings	-	-	2,341	2,341
Budget surplus on LA funds	15	-	-	15
LGPS pension deficit	-	(58)	-	(58)
Net assets / (liabilities)	15	(58)	2,341	2,298

The above net assets/liabilities include £15,000 that were transferred as cash.

From 1 January 2018, the leasehold land and buildings were transferred on a 125 year lease at a peppercorn rent from Warwickshire County Council to the DMAT.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

29 CONVERSION TO AN ACADEMY TRUST (Continued)

All Saint's Church of England Academy	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£'000	£'000	£'000	£'000
Leasehold land and buildings	-	-	1,891	1,891
Budget surplus on LA funds	80	-	-	80
LGPS pension deficit	-	(208)	-	(208)
Net assets / (liabilities)	80	(208)	1,891	1,763

The above net assets/liabilities include £77,000 that were transferred as cash.

From 1 March 2018, the leasehold land and buildings were transferred on a 125 year lease at a peppercorn rent from Warwickshire County Council to the DMAT.

Burton Green Church of England Academy	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£'000	£'000	£'000	£'000
Leasehold land and buildings	-	-	1,222	1,222
Budget surplus on LA funds	90	-	-	90
LGPS pension deficit	-	(131)	-	(131)
Net assets / (liabilities)	90	(131)	1,222	1,181

The above net assets/liabilities include £90,000 that were transferred as cash.

From 1 March 2018, 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.