

The Diocese of Ely Multi-Academy Trust
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2019**

Members	Peter Maxwell Paul Evans (Diocesan Secretary) The Diocese of Ely Educational Trust
Trustees	Peter Maxwell (Chair) Andrew Read Mike Banyard John Bradshaw David Bridges Keith Carne Wendy Garrard (Appointed 5 December 2018) David Harrison (Resigned 29 August 2019) Alex Hughes Helen Jackson David Lee Robert Skelton Serena Standing (resigned 1 June 2019) Hilary Wright Mike Younger
Company registered number	08464996
Company Name	DEMAT
Registered office	Bishop Woodford House, Barton Road Ely, Cambridgeshire, CB7 4DX
Company Secretary	Annabelle Evans
Chief Executive Officer	Andrew Read (to 31 August 2019) Adrian Ball (from 1 September 2019)
Senior Management Team	
• Director of Trust Development	Jacqueline McCamphill
• Director of Finance & Operations	Alexandra Duffety
• Director of Inclusion and Safeguarding	Amy Weaver
Independent Auditor	Haysmacintyre LLP 10 Queen Street Place London, EC4R 1AG
Bankers	Lloyds Bank Minister Place Ely, CB7 4EN
Solicitors	Mills & Reeve Botanic House 100 Hills Road Cambridge, CB2 1PH

**The Diocese of Ely Multi-Academy Trust
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees present their annual report together with the financial statements and auditors' report of DEMAT (DEMAT) for the period from 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

DEMAT was established in March 2013. It oversees the development of Church of England & community academies within the Diocesan area, which extends throughout Cambridgeshire, part of Peterborough and part of West Norfolk. As of 1 November 2019, the Trust operates 39 academies.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

DEMAT is a company limited by guarantee and an exempt charity. DEMAT's memorandum and articles of association are the primary governing documents of DEMAT.

The trustees of DEMAT are also the directors of the Company for the purposes of company law. Details of the trustees who served throughout the period are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

Employees and trustees are covered by professional indemnity insurance for failings arising from the performance of their duties that may lead to civil liability. There are no other specific third-party indemnities beyond this, which require reporting in the context of section 236 of the Companies Act 2006.

Method of Recruitment and Appointment or Election of Trustees

The Diocese of Ely Educational Trust appoints trustees, paying attention to the skills and expertise required to set the strategic direction of the Trust and to ensure that the Trust meets all its statutory obligations as set out in the Academies Financial Handbook, which is published by the Education and Skills Funding Agency.

Policies and Procedures Adopted for the Induction and Training of Trustees

A comprehensive training and induction programme is provided for all trustees and governors of Local Governing Bodies. Governor training is provided by sector specialists.

All trustees are provided access to policies, procedures, terms of reference of trust committees, minutes, budget plans and other documents that they need to undertake their roles as trustees.

Organisational Structure

The organisational structure of DEMAT consists of the following:

- The Trust Board (thirteen directors).
- Local Governing Bodies for each school.
- Committees of the Trust Board, including Finance and Estates, Personnel, Standards and Ethos, Audit & Remuneration.

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

The Trust Board meets at least three times per year and is responsible for the overall strategic direction of the Trust and for those statutory duties, which may not be delegated to sub-committees. The Trust Board has a scheme of delegation, which specifies delegated authorities at each level in the organisation. Each committee of the Trust Board and Local Governing Body meets at least three times a year.

The day-to day management is delegated to the Chief Executive Officer of DEMAT. The senior leadership team comprises the Chief Executive Officer, the Director of Trust Development, Director of Finance & Operations, Director of Education and Director of Inclusion and Safeguarding. Headteachers, business managers and special educational needs coordinators meet separately throughout the academic year.

Budgets are delegated to schools that then operate within budget levels approved by the Board.

Arrangements for setting pay and remuneration of key management personnel

The responsibility for setting the pay and remuneration of key management personnel sits ultimately with the Board of Trustees, but it is delegated to the Personnel & Remuneration Committees.

Objectives and outcomes are agreed with each member of key management at the beginning of the performance year, regular progress meetings are held to discuss progress against objectives and evaluated at the end of the year. Remuneration is driven by performance against objectives.

Trade Union Facilities' Time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, DEMAT is required to include information in respect of Trade Union Facilities Time.

In the 'reporting period', 1 April 2018 – 31 March 2019, the Trust did not have any employees who were relevant union officials. However the following information shows how much the Trust bought in to Facilities' buy in time provided by the Local Authority:

Total cost of facility time	£7,755
Total pay bill	£20,767,077
Percentage of the total pay bill	0.04%

Connected Organisations, included Related Party Relationships

The Diocese of Ely Educational Trust is, in effect, the shareholding company under which DEMAT operates. It was set up by the Ely Diocesan Board of Finance in response to the likelihood of Church schools converting to academies. There are currently 4 members with representation from the Board of Finance and the Diocesan Board of Education. The members appoint the directors of DEMAT.

The Diocesan Board of Education is constituted under the Diocesan Board of Education Measure 1991 (as amended). It meets three times a year and receives updates from DEMAT. Three of its members are also directors of DEMAT to ensure continuity and good communication between the two Boards.

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

OBJECTIVES AND ACTIVITIES

The Trust is committed to:

- ensuring that all pupils, regardless of ability, gender, religion, and background have access to a high-quality education within a supportive learning environment, which equips them well as independent learners to take their place in society and to contribute to it
- setting high expectations of leadership and of teaching and learning
- developing a shared identity and common purpose whilst preserving each school's individuality, Christian ethos and distinctiveness
- encouraging innovation and collaboration across the partnership
- supporting schools so that they may serve their local communities more effectively.

The Trust sees no disconnection between ethos and effectiveness since making a close connection between the two is to transform the lives and life chances of all learners and the communities they serve.

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

Objectives, Strategies and Activities

In the year ended 31 August 2019, DEMAT has continued to establish its identity, growing numerically (in terms of number of academies) and expanding its capacity to support all academies in order to ensure that all pupils have access to a high quality of education. Strategies include appointing heads of good/ outstanding schools to be executive heads of schools in special measures, brokering school-to-school support, building links with the business community, establishing a full professional development programme for academy leaders and staff, working with regional institutional leaders of educational provision, research and advice.

The following six key priorities (in no particular order) underpin the action plan for 2018/19:

Priority 1: To ensure that DEMAT continues to develop its capacity to fulfil its obligations through carefully managed expansion based on sound financial planning and the development of strong mechanisms for sustainable school-improvement.

2018/2019 progress:

The Trust budgets have demonstrated an improvement on the previous year, and an increasing ability to demonstrate sustainability across a 3-5-year time horizon. In the coming year, DEMAT is working to improve upon this position such that it has the ability to adapt and develop more rapidly to the needs of the academies and their communities.

Priority 2: To achieve greater consistency in the quality of staff deployed as business managers in DEMAT schools and only where necessary to administer the finances of schools from the central team.

2018/2019 progress:

DEMAT has increasingly used shared staff, from within the shared services team and from the wider school-based school business manager pool to improve the consistency and quality of management of school finances. Additional process improvement has been undertaken in the year to ensure that DEMAT is pursuing a system-leading finance function, which in turn will lead to effective and sustainable financial management.

Priority 3: To promote high levels of local and cross-phase collaboration between academies in DEMAT in order to raise standards and improve system resilience.

2018/2019 progress:

DEMAT has focussed on utilising the experience and skill within the academies to ensure consistency of approach and to support the career pathways available with DEMAT. The approaches taken in the current year have been;

- *Interim appointments – DEMAT has actively pursued internal development opportunities on a temporary basis when they arise, this includes interim Executive Headteacher appointments.*
- *Re-deployment of skills within the Trust – DEMAT has created permanent capacity for a Headteacher within the Trust who was looking to move out of Headship and into strategic leadership. Therefore, the expertise has been retained in the Trust and is benefiting other academies.*
- *Reviewing the structural organisation of our academies – in the year the Trust has created a new partnership in Thriplow/Babraham under one Executive Headteacher.*
- *Peer to peer review programme within the Trust – encouraging best practice to be shared widely across all academies within the Trust and developing our more experienced leaders.*
- *Headteacher reference group – to share ideas and best practice, but also to provide a direct link between the academies and the CEO and SLT.*

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

Priority 4: To refine and develop concepts of Christian Distinctiveness (beliefs and behaviours) and apply them to schools for children of all faiths and none.

2018/2019 progress:

In the year there has been a new SIAMS framework implemented, and as such, the Trust has provided targeted training and support to the academies within the Trust to ensure that they have a comprehensive understanding and Christian Distinctiveness runs through their core values, Self-Evaluation and School Development Plan. The following areas of activity have been undertaken;

- Deeper collaboration with the Diocese of Ely Diocesan Board of Education*
- Provision of training for Headteachers and Governors of all academies on the new SIAMS framework and how to embed within academies.*
- Peer to peer support within the Trust, using experienced Diocesan SIAMS/Education advisors to provide targeted support and advice where required.*

Priority 5: To ensure that local governing bodies are equipped with the skills and expertise to undertake their collective responsibilities and have access to a well-designed induction and ongoing training programme.

2018/2019 progress:

In the year the inaugural Trust Governance conference in February 2019 was well-attended by Governors from schools across the Trust and a second is planned for early 2020.

The Local Governing Body Advisory Board has been created, giving local governors an opportunity to discuss and share with Trustees their views and challenges.

The above specific measures are designed to supplement the ongoing programme of Governor development and recruitment overseen by the Director of Trust Development. The Trust remains committed to strong local governance in its academies, but recognises the need to maintain a mixed model of governance to ensure the governance role is fulfilled robustly across the Trust.

Priority 6: To continue to develop and deliver dashboards for each component part of the Trust to ensure key indicators can be monitored by the Trust committees.

2018/2019 progress:

Dashboards have been prepared for all areas in the year and have been utilized to ensure appropriate monitoring is in place across the Trust. The focus for 2019/2020 is to extend their depth and improve the insight and analysis they contain.

Public Benefit

In setting our objectives and planning our activities over the past year, the trustees have considered the Charity Commission's general guidance on public benefit. The trustees are satisfied that due regard has been given to the public benefit guidance published by the Charity Commission, as required by Section 17 of the Charities Act 2011.

The Trust aims to advance for the public benefit of education in the Diocese of Ely. In particular, but without prejudice to the generality of the foregoing by establishing, maintaining, managing and developing schools offering a broad curriculum set within a distinctively Christian context.

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

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Trust academies

The Trust welcomed 6 schools in the period;

- Swaffham Prior Church of England Primary School
- St Botolph's Church of England Primary School
- Swaffham Bulbeck Church of England Primary School
- Holme Church of England Primary School
- St Luke's Church of England Primary School
- Oakington Church of England Primary School

In total, these schools provide education to around 1,043 pupils, thus taking the number of pupils educated by Trust schools to 6,800.

There are a further two academy orders issued, with other pipeline schools identified. This would bring the number of academies within the Trust to 41, with estimated pupils of 7,100.

Ofsted outcomes

In the accounting period, a total of 5 schools received Ofsted visits, inspected under the old framework. 4 of these judgements were 'Requires Improvement' (Hilgay, Weeting, Runcton Holme and Wisbech St Mary) and 1 was graded 'Good' (Ten Mile Bank).

Runcton Holme & Wisbech St Mary joined the Trust as sponsored academies and therefore the 'Requires Improvement' judgements represent them being lifted from their previous 'Inadequate' rating.

Ten Mile Bank retained its 'Good' judgment and is testament to the work that can be done in small rural schools to maintain the quality of the provision. Weeting has maintained its 'Requires Improvement' grading and reflects the work that is still required in the Trinity partnership to fully embed effective teaching across the partnership and the turbulence in leadership in the last 2 years.

Hilgay, part of the Riverside Federation with Ten Mile Bank, received a 'Requires Improvement' grading and highlights the work the Trust still has to do in systematically ensuring the quality of teaching, and wider quality of education is consistently high across all academies.

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

Leadership

The Board recruited a full time CEO in the Summer Term, and Adrian Ball joined the Trust on 1 September. Andrew Read has taken on a new role as Group CEO of the Diocese of Ely educational interests which encompasses the MAT, the remaining VA/VC schools in the Diocese, the new secondary school earmarked for the Alconbury Weald development and St Bede's the existing inter-faith secondary school in Cambridgeshire.

8 academies within the Trust saw a change to their leadership as of 1 September 2019. A new partnership was created between Babraham & Thriplow, under an Executive Headship filled by the former Thriplow Headteacher. The former Headteacher of Babraham has moved to a leadership development role within the shared services team. The Trust School Improvement Director, Owen Rhodes, joined the Trinity Partnership in West Norfolk as the Executive Headteacher.

The interim Headteacher at St Peter's has moved to a substantive role as Headteacher at St Luke's, in the centre of Cambridge. The Head of School at St Peter's has now stepped up into the Headteacher role.

The interim Headteacher at Swaffham Prior, seconded from St Andrews Primary School in Soham, was appointed to the permanent position following a successful recruitment process.

The internal recruitment above highlights the strength of internal leadership pathways within the Trust. The Trust recognises the importance of recruiting externally for vacancies and has filled the Headteacher post at St Botolph's with an external candidate who is already bringing fresh vision to the academy.

KEY PERFORMANCE INDICATORS

The Trust has developed a series of key indicators at Trust, whole school and individual pupil level, to better analyse real-time and historic performance across regions and within schools. These indicators can also be benchmarked to national performance, as they are designed to easily map onto national measures.

GOING CONCERN

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

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

FINANCIAL REVIEW

The net income for the Trust in the period, before pension gains/losses is £253k, this comprises of £1,070k of unrestricted income (principally one-off income received on conversion/grants), (£1,409k) deficit on restricted revenue funding and £592k on capital income.

The carried forward reserve on revenue funds is £3.843m at 1 September 2019.

Overall the academies within the Trust run an operationally balanced budget each year. There is a minority of academies within the Trust that remain in a net deficit position, discussed at note 17, and for whom the Trust continues to provide ongoing support to establish their financial and educational sustainability.

The academies that converted with a reserve retain that reserve to use on specific projects, in the current year, St Peter's & Ely St Mary's have approved reserve spend.

There is a net income on capital funds for the period, and this is largely due to timing of receipt of SCA funding. The funding for 18/19 & 19/20 has been allocated according to priority across the Trust but the expenditure and thus timing difference remains volatile due to the start date of projects and timing of tenders.

The shared services' runs a balanced operational budget, however the year on year balance as per note 17 is impacted by one off grants, such as the MAT Development & Improvement Fund Grant and conversion grants received in the year.

The cash flow of the Trust remains strong. Due to the balanced operating costs and predictable nature of non-staff expenditure cash flows, the Trust retains the majority of it's reserve in cash at any one time. This equates to 8% of the Trust operating costs and is sufficient to cover any short-term need.

The Trust currently utilizes an overnight deposit to generate interest on the capital funds it holds and generates a greater return.

The Trust 3-year budget remains in a net deficit position due to the ongoing increases in staff costs and the uncertainty over value of related government grants. The Board continues to monitor the sufficiency of the budgeting in a 2-5-year window to ensure action can be taken if the Trust needs to reduce its cost base.

The Trust is currently undertaking an internal benchmarking exercise to identify better use of resources and funds within the MAT.

The Diocese of Ely Multi-Academy Trust
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Reserves Policy

The Trust's three-year budget has been developed, at both school and shared service level, to ensure that the reserves maintained are appropriate for the size of MAT and associated liabilities. This also covers the use of reserves at an individual school level if it is felt appropriate.

The use of reserves is always consistent with the reserve policy agreed with the Finance & Estates Committee and Trust Board. The Trust holds reserves that are adequate to meet foreseen needs.

The DEMAT reserves deficit is £12,803,344. The restricted reserves deficit is £16,254,612 and incorporates the LGPS deficit of £19,255,000. Excluding the LGPS deficit the restricted reserve would be in surplus of £3,000,388.

The value of the LGPS deficit is £19,255,000. This is not an immediate liability and arises on the valuation of future liabilities for pensions of scheme members. The Trust is required to offer the Local Government Pension Scheme (LGPS) to eligible employees under the terms of its funding agreement. The Trustees monitor the current and future levels of contribution to ensure the Trust can meet any increased contributions as they fall due.

A total of £651,000 of the fixed asset reserve has been designated for capital projects in the next academic year.

The unrestricted reserve of £3,451,268 is allocated to each academy on the basis on the funds transferred on conversion and any further unrestricted reserves they have been able to generate. The Trust does not currently pool unrestricted reserves for general use across the Trust.

Levels of reserves maintained are to ensure ongoing liquidity and ability to meet unforeseen costs as they arise – this is supported by regular cash flow reviews.

Investment Policy

The Board of Directors is firmly committed to ensuring that all funds under its control are administered without exposing the Trust to undue risk. As such the Board does not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds entrusted to the Board. Due to the nature of the funding cycle, the Academy may at times hold large cash balances, which may not be required for immediate use.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties faced by the Trust are as follows:

- The Trust continues to accept under statute any Church School under its dual role as an academy sponsor;
- The Trust is reliant on funding from the Education and Skills Funding Agency - changes to the funding formula for schools may impact upon the level of income received by the Trust;
- Funding received is based on numbers of students enrolled at the Trust – failure to attract sufficient pupils to the schools would reduce the level of funding available to the schools;
- Staff are eligible to join either the Teacher's Pension Scheme or Local Government Pension Scheme – contributions to either scheme could increase in the future due to factors outside of the Trust's control which could increase expenditure or lead to a higher pension deficit being recorded;
- It is important that the Trust continues to recruit and retain suitably qualified and committed staff in its schools.

Financial and Risk Management Objectives and Policies

Financial policies and financial risks are reviewed regularly by the Finance and Estates Committee. Budgets are prepared on an annual basis and performance against budget and cash flow forecasts are reviewed regularly. At the year end, the Trust did not have any material liabilities which would have a significant effect on its liquidity.

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

FUNDRAISING

The academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

PLANS FOR FUTURE PERIODS

The Trust aims to develop an aspirational yet sustainable education provision across its diverse portfolio of schools. The development of an aspirational, sequenced and rich curriculum in every school is at the heart of these future plans. The Trust aims to establish subject communities in a range of subjects; these communities will be at local, regional and trust wide levels establishing a school to school support network that all staff in every school can access. As the networks mature collaboration across schools will provide an agile and proactive method of school improvement based on evidence-based practice and cognitive science. The legacy of education provision by the Church of England remains an important part of the Trust's history and in the future new traditions will be established which support this legacy, building on the increasing collaboration between schools and growth of the DEMAT family.

AUDITORS

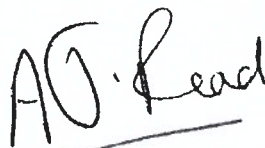
In so far as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the members of the board of trustees on 18 December 2019 and signed on their behalf, by:



Peter Maxwell
Chair of Trustees



Andrew Read
Accounting Officer

The Diocese of Ely Multi-Academy Trust
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GOVERNANCE STATEMENT

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between DEMAT and the Secretary of State for Education. In the year 19/20, Andrew Read as the Diocesan Director of Education and previous Chief Executive Officer has remained the Accounting Officer pending signature of these accounts, after which, Adrian Ball, as Chief Executive Officer will become the Accounting Officer. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees formally met 5 times during the year. The Board is comfortable that the framework of Board, and sub-committee meetings is enough to maintain robust oversight of the Trust.

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

Trustee	Meetings attended	Out of a possible
Peter Maxwell	5	5
Andrew Read	5	5
Mike Banyard	3	5
John Bradshaw	3	5
David Bridges	4	5
Keith Carne	4	5
Wendy Garrard	4	5
Alex Hughes	5	5
Helen Jackson	5	5
David Lee	5	5
Robert Skelton	4	5
Serena Standing	3	3
Hilary Wright	2	5
Mike Younger	4	5

The Finance and Estates Committee is a sub-committee of the Trust Board. Its purpose is to review and advise the Trust Board on the financial performance of the Trust and the safeguarding and use of its assets.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Peter Maxwell	4	4
Andrew Read	3	4
Keith Carne	3	4
John Bradshaw	4	4
David Bridges	3	4
Serena Standing	1	3

GOVERNANCE STATEMENT (continued)

The Standards and Ethos Committee is a sub-committee of the Board. It monitors standards and the performance for each academy and how ethos contributes to establishing a purposeful learning environment which enables, regardless of ability or gender, to make maximum progress in relation to their starting points.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Peter Maxwell	4	4
Andrew Read	4	4
Mike Banyard	4	4
David Lee	3	4
Wendy Garrard	2	4
Serena Standing	3	3
Mike Younger	4	4

The Audit Committee is a sub-committee of the Trust Board. Its purpose is to review and advise the Trust Board on the responsibilities in relation to an entity's financial reporting, internal control system, risk management system and internal and external audit functions.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Peter Maxwell	3	3
Andrew Read	2	3
Mike Banyard	2	3
John Bradshaw	2	3
Helen Jackson	3	3
Robert Skelton	2	3
Mike Younger	3	3

The Personnel Committee is a sub-committee of the Trust Board. Its purpose is to assist and advise the Board on matters relating to the remuneration of Trust personnel and strategic HR direction, in order to motivate and retain Trust staff and ensuring that the Trust is able to attract the best talent.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Peter Maxwell	4	4
Andrew Read	4	4
Keith Carne	3	4
Robert Skelton	3	4
Hilary Wright	3	4

The Remuneration Committee is a sub-committee of the Trust Board. Its purpose is to assist and advise the Board on matters relating to the remuneration of senior management personnel. It meets formally once a year, more if required due to senior leader changes. The sub-committee meets in a monitoring and advisory capacity in advising the Trust Board, Personnel Committee and Finance & Estates Committee on remuneration of senior management.

GOVERNANCE STATEMENT (continued)

Review of Value for Money

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

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

- o Extended the Group catering contract across a further 7 academies within the Trust
- o Challenged leaders across the Trust to pursue innovative solutions where vacancies arise, as opposed to replacing like for like

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 DEMAT for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

GOVERNANCE STATEMENT (continued)

The Risk and Control Framework

The academy's system of internal financial control is based on a framework of regular management information and administrative procedures. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and Estates 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;
- delegation of authority and segregation of duties;
- identification and management of risks.

In the period, the Trust engaged a third party to perform operating effectiveness testing on the financial controls at each academy, focusing on those around cash and expenditure. The testing identified areas to improve at an academy and control/cycle level.

This has provided a focus for the internal audit work planned for 2019/2020. A third party has been engaged to undertake internal audit work.

The external audit role to provide advice and compliance checks of the system of controls the Trust has in place currently has provided some recommendation which have been considered by the Audit and Finance & Estates Committee. None of these recommendations covered major weaknesses and the external auditors reported that the majority of the recommendations from the previous year have been mitigated.

Review of Effectiveness

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

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 18 December 2019 and signed on their behalf, by:

P. B. Maxwell

Peter Maxwell
Chair of Trustees

AO Read

Andrew Read
Accounting Officer

The Diocese of Ely Multi-Academy Trust
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of DEMAT I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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



Andrew Read
Accounting Officer

Date: 18 December 2019

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 16 December 2019 and signed on its behalf by:



Peter Maxwell
Chair of
Trustees

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF DEMAT

We have audited the financial statements of DEMAT for the year ended 31 August 2019 which comprise the Statement of Financial Activities Incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy'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.

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF DEMAT
(CONTINUED)

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.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF DEMAT
(CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Kathryn Burton (Senior Statutory Auditor)

for and on behalf of

Haysmacintyre LLP

Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

19 December 2019

INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO DEMAT AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 15 October 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 DEMAT during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to DEMAT and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Diocese of Ely Multi-Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than DEMAT and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of DEMAT's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of DEMAT's funding agreement with the Secretary of State for Education dated 28 June 2013 (Bury), 1 October 2013 (Stanground), 27 March 2014 (Weeting and Duchy), 30 April 2014 (St Martin), 27 June 2014 (Norman), 30 September 2014 (Runcton Holme, Wormegay and All Saints Academy) 30 October 2014 (Mepal & Witcham and St Peters), 31 October 2014 (William De Yaxley and St Andrews), 30 January 2015 (Ely St Mary) and 26 February 2015 (Anthony Curton, Tilney All Saints, Hilgay, Ten Mile Bank and Marshland St James, St Mary's St Neots), 11 July 2016 (Ermine Street), 9 June 2016 (Guilden Morden and Wisbech St Mary), 31 October 2016 (St Christopher's), 26 April 2017 (Guyhirn), 31 May 2017 (Milton), 30 June 2017 (St John's Huntingdon), 19 December 2017 (Babraham), 25 October 2017 (Elm Church of England Primary School), 31 January 2018 (Farcet Church of England Primary School & Orchards Church of England Primary School), 27 April 2018 (Stilton Church of England Primary School), 28 November 2017 (Thriplow Church of England Primary School), 31 August 2018 (St Botolph's), 29 August 2018 (Swaffham Prior), 27 March 2019 (Holme Church of England Primary School), 26 October 2018 (Swaffham Bulbeck), 28 February 2019 (St Luke's Church of England Primary School), 30 April 2019 (Oakington Church of England Primary School) and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**The Diocese of Ely Multi-Academy Trust
(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO DEMAT AND THE
EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)**

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 academy's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Assessment of the control environment operated by the Academy.
- Walkthrough testing of controls to ensure operational effectiveness.
- Substantive testing on a sample of expenditure items, ensuring expenditure is in accordance with the funding agreement and appropriately authorised.
- Detailed testing on a selection of expense claims, credit card statements and debit card payments.
- Review of minutes, bank certificates and related party declarations provided by Governors.

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 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Haysmacintyre LLP

Haysmacintyre LLP

Reporting Accountant

10 Queen Street Place
London
EC4R 1AG

19 December 2019

The Diocese of Ely Multi-Academy Trust
(A Company Limited by Guarantee)

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

	Note	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Restricted Fixed Asset Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
INCOME FROM:						
Donations and capital grants	2	231,336	-	1,391,168	1,622,504	1,653,412
Charitable activities	3	1,641,697	32,799,058	-	34,440,755	26,726,063
Other trading activities	4	716,570	-	-	716,570	612,938
Investments	5	4,966	-	-	4,966	3,902
Funds inherited on conversion		397,022	-	-	397,022	433,403
TOTAL INCOME:		2,991,589	32,799,058	1,391,168	37,181,816	29,429,718
EXPENDITURE ON:						
Charitable activities	6	1,921,515	34,208,256	799,547	36,929,318	30,148,509
Pension deficit inherited on conversion		-	2,003,000	-	2,003,000	2,544,000
TOTAL EXPENDITURE		1,921,515	36,211,256	799,547	38,932,318	32,692,509
NET INCOME / (EXPENDITURE)						
BEFORE TRANSFERS		1,070,076	(3,412,198)	591,621	(1,750,501)	(3,262,791)
Transfers between Funds	17	-	-	-	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES						
		1,070,076	(3,412,198)	591,621	(1,750,501)	(3,262,791)
Actuarial gains/(losses) on defined benefit pension schemes	23	-	(6,584,000)	-	(6,584,000)	2,590,000
NET MOVEMENT IN FUNDS		1,070,076	(9,996,198)	591,621	(8,334,501)	(672,791)
RECONCILIATION OF FUNDS:						
Total funds brought forward		2,381,192	(8,866,996)	2,016,960	(4,468,844)	(3,796,053)
TOTAL FUNDS CARRIED FORWARD		3,451,268	(18,863,194)	2,608,581	(12,803,345)	(4,468,844)

The notes on pages 26 to 61 form part of these financial statements.

The Diocese of Ely Multi-Academy Trust
(A Company Limited by Guarantee)

REGISTERED NUMBER: 08464996
BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019		2018	
		£	£	£	£
FIXED ASSETS					
Tangible assets	13		984,933		953,750
CURRENT ASSETS					
Debtors	14	1,246,823		927,606	
Cash at bank and in hand		6,466,498		5,112,730	
		<u>7,713,322</u>		<u>6,040,336</u>	
CREDITORS: amounts falling due within one year	15	<u>(2,119,184)</u>		<u>(2,010,823)</u>	
NET CURRENT ASSETS			<u>5,594,138</u>		<u>4,029,512</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,579,071</u>		<u>4,983,262</u>
CREDITORS: amounts falling due after more than one year	16		<u>(127,415)</u>		<u>(141,107)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>6,451,656</u>		<u>4,842,155</u>
Defined benefit pension scheme Liability	23		<u>(19,255,000)</u>		<u>(9,311,000)</u>
NET LIABILITIES INCLUDING PENSION SCHEME LIABILITIES			<u>(12,803,344)</u>		<u>(4,468,845)</u>
FUNDS OF THE ACADEMY					
Restricted funds	17	391,807		444,004	
Restricted fixed asset funds	17	2,608,581		2,016,960	
		<u>3,000,388</u>		<u>2,460,964</u>	
Restricted funds excluding pension liability					
Pension reserve		<u>(19,255,000)</u>		<u>(9,311,000)</u>	
		<u>(16,254,612)</u>			<u>(6,850,036)</u>
Total restricted funds					
Unrestricted funds	17	3,451,268			2,381,192
TOTAL DEFICIT			<u>(12,803,344)</u>		<u>(4,468,844)</u>

The financial statements were approved by the Trustees, and authorised for issue, on 18 December 2019 and are signed on their behalf, by:


Peter Maxwell
Chair of Trustees

The notes on pages 26 to 61 form part of these financial statements.

The Diocese of Ely Multi-Academy Trust
(A Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	19	334,388	(705,583)
Cash flows from investing activities:			
Purchase of tangible fixed assets		(358,096)	(201,768)
Capital grants from DfE/ESFA		1,391,168	1,531,682
Net cash used in investing activities		<u>1,033,072</u>	<u>1,329,915</u>
Change in cash and cash equivalents in the period		1,367,460	624,331
Cash and cash equivalents brought forward		4,957,931	4,333,600
Cash and cash equivalents carried forward		<u><u>6,325,391</u></u>	<u><u>4,957,931</u></u>

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

1. ACCOUNTING POLICIES

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

1.1 General information

The company is limited by guarantee, incorporated in England and Wales (company number: 08464996). The Company's registered office address is: Bishop Woodford House, Barton Road, Ely, Cambridgeshire, CB7 4DX.

1.2 Basis of preparation of financial statements

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

DEMAT constitutes a public benefit entity as defined by FRS 102.

1.3 Going concern

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

1.4 Fund accounting

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

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

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

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

1.5 Income

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

- **Grants**

Grants are included in the Statement of Financial Activities Incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

Capital grants are recognised when there is 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 in the restricted fixed asset fund.

- **Donations**

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

- **Other Income**

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the 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 recognized 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 recognized 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 recognized within 'Income from other trading activities'.

- **Transfer on conversion**

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognized in the balance sheet at the point when the risks and rewards or ownership pass to the academy trust. An equal amount of income is recognized as transfer on conversion within Donations and capital grant income to the net assets received.

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

1. ACCOUNTING POLICIES (continued)

1.6 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised. This is a change in accounting policy in the current year. The previous capitalization value was £500. It has been increased to better reflect the expenditure on capital assets.

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 Incorporating Income and Expenditure Account 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 Incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Land and buildings are not recognised by the Trust, capital grants received to cover expenditure on land and buildings are recognised when received and matched to a corresponding grant expenditure to church trustees or other body that holds the land and buildings as a donation and not income from charitable activities.

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

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & Fittings	- 20% straight line per annum
Technology & Computer Equipment	- 33.3% straight line per annum

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

1.9 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities Incorporating Income and Expenditure Account on a straight line basis over the lease term.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial Instruments

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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

1. ACCOUNTING POLICIES (continued)

1.14 Taxation

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

Accordingly, the 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.

1.15 Pensions

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ("TPS"), the Local Government Pension Scheme ("LGPS"), the Church Workers' Pension Scheme ("CWPF") and the NEST Scheme. The TPS & LGPS are defined benefit schemes and the assets are held separately from those of the Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account 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.

The CWPF and Nest are defined contribution schemes and the assets are held separately from those of the Trust. Contributions to the CWPF are fixed at 10% of the employees salary, employer contributions to the NEST scheme depend on the employee contributions but the minimum combined contribution is 8%. The amounts charged to the statement of financial activities are the employer contributions for the period are paid to the Scheme in cash.

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

1. ACCOUNTING POLICIES (continued)

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

The accounting policies have been applied consistently in dealing with items which are considered material in relation to the Academy Trust's financial statements.

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Restricted Fixed Asset Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Donations	231,334	-	-	231,334	121,730
Capital Grants	-	-	1,391,168	1,391,168	1,531,682
Total donations and capital grants	231,334	-	1,391,168	1,622,502	1,653,412

In 2018, of the total income from donations and capital grants, £121,730 was to unrestricted funds and £1,531,682 was to restricted fixed asset funds.

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
General Annual Grant (GAG)	-	29,266,244	29,266,244	22,922,015
Start Up Grants	-	-	-	25,000
Local authority grants	-	1,545,678	1,545,678	964,832
Pupil premium	-	1,910,874	1,910,874	1,580,204
Educational operations: other income	1,641,697	76,262	1,717,959	1,234,012
	1,641,697	32,799,058	34,440,755	26,726,063

In 2018, of the total income from charitable activities, £1,169,657 was to unrestricted funds and £25,556,406 was to restricted funds.

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

4 OTHER TRADING ACTIVITIES

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Hiring of facilities	120,612	-	120,612	101,809
Other Income	55,824	-	55,824	47,800
Catering income	540,134	-	540,134	463,329
	<u>716,570</u>	<u>-</u>	<u>716,570</u>	<u>612,938</u>

In 2018, all income from other trading activities of £612,938 was to unrestricted funds.

5. INVESTMENT INCOME

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Short term deposits	<u>4,966</u>	<u>-</u>	<u>4,966</u>	<u>3,902</u>

In 2018 all the investment income was to unrestricted funds.

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

6. CHARITABLE ACTIVITIES

	Total Funds 2019 £	Total Funds 2018 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	17,638,078	14,007,597
National insurance	1,519,722	1,213,196
Pension cost	2,955,917	2,341,718
Educational supplies	1,383,830	916,478
Examination Fees	237	-
Staff Development	177,722	153,595
Educational consultancy	254,233	259,697
Other Direct Costs	441,738	337,524
	<u>24,371,477</u>	<u>19,229,805</u>
	Total Funds 2019 £	Total Funds 2018 £
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	3,955,439	3,010,976
National insurance	250,914	200,232
Pension cost	1,744,422	545,415
Depreciation	326,914	285,324
DBS Finance Cost	344,000	274,000
Technology costs	554,313	1,051,873
Recruitment and support	157,730	153,960
Maintenance of premises and equipment	1,196,437	977,472
Cleaning	222,451	244,175
Rent & rates	266,373	241,374
Energy costs	483,768	357,860
Insurance	241,891	212,365
Security and transport	31,153	25,389
Catering	1,277,033	1,033,919
Bank interest and charges	7,976	5,632
Other support costs	1,241,394	2,066,166
	<u>12,302,208</u>	<u>10,686,132</u>
	<u>36,673,685</u>	<u>29,915,937</u>
OTHER ACTIVITIES		
Governance Costs	<u>255,633</u>	<u>232,572</u>

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

7. EXPENDITURE

	Staff Costs £	Premises £	Other Costs £	Total 2019 £
Activities:				
Direct costs	22,113,718	-	2,257,760	24,371,478
Support costs	5,950,775	2,562,512	3,788,920	12,848,207
Support costs:				
Governance	-	-	255,633	255,633
	<u>28,064,493</u>	<u>2,562,512</u>	<u>6,302,313</u>	<u>37,475,318</u>

Comparative costs in respect of prior periods

	Staff Costs £	Premises £	Other Costs £	Total 2018 £
Activities:				
Direct costs	17,562,511	-	1,667,294	19,229,805
Support costs	3,756,624	2,205,945	4,723,563	10,686,132
Support costs:				
Governance	-	-	232,572	232,572
	<u>21,319,135</u>	<u>2,205,945</u>	<u>6,623,429</u>	<u>30,148,509</u>

8. NET INCOME /(EXPENDITURE)

	2019 £	2018 £
This is stated after charging:		
Depreciation of tangible fixed assets:		
- owned by the charity	326,914	285,324
Auditors' remuneration - audit	49,800	48,400
Auditors' remuneration - other services	16,100	14,900
	<u>392,814</u>	<u>348,624</u>

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

9. STAFF COSTS

	2019	2018
	£	£
Staff costs were as follows:		
Wages and salaries	20,357,008	16,466,516
Social security costs	1,770,636	1,413,428
Operating costs of defined benefit pension schemes	4,700,340	2,887,133
	<u>26,827,984</u>	<u>20,767,077</u>
Supply teacher costs	1,165,936	537,007
Staff restructuring costs	70,573	15,051
	<u>28,064,493</u>	<u>21,319,135</u>

Staff restructuring costs comprise;

	2019	2018
	£	£
Redundancy payments	8,467	1,848
Severance payments	62,106	13,203
	<u>70,573</u>	<u>15,051</u>

Included in staff restructuring costs are non-contractual severance payments totaling £20,810 (2018: nil). Individually the payments were £5,717, £3,525, £6,568 & £5,000.

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

	2019	2018
	No.	No.
Teachers	369	297
Management	5	3
Administration and Support	750	581
	<u>1,124</u>	<u>881</u>

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

9. STAFF COSTS (continued)

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	14	9
In the band £70,001 - £80,000	4	2

Sixteen of the above employees participated in the Teacher's Pension Scheme. During the period ended 31 August 2019 employer's pension contributions for these staff amounts to £191,495 (2018: £111,321).

The key management personnel of the academy trust comprise the trustees and the senior management team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £337,272 (2018: £225,244).

10. CENTRAL SERVICES

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

- Financial services
- Legal services
- Educational support services
- Others as arising

The Trust charges for these services as a flat six percent on the monthly GAG funding received directly at head office. No deductions are taken from Pupil premium, insurance or any other ad hoc funding.

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

10. CENTRAL SERVICES (continued)

The amounts charged for the year were as follows;

	2019 £	2018 £
All Saints	24,654	26,645
Anthony Curton	46,631	45,050
Babraham	24,704	16,345
Bury	41,000	43,714
St Christopher's CofE Primary School	69,717	66,817
Duchy of Lancaster, Methwold	25,871	26,173
Elm	52,425	42,799
Ely St Marys	89,380	84,980
Ermine Street Church Academy	31,648	23,051
Farcet	31,786	18,413
Guilden Morden	16,887	18,556
Guyhirn	25,132	25,633
Hilgay	18,023	19,311
Holme	11,315	-
Marshland	25,012	23,873
Mepal and Witcham	22,565	21,310
Milton	82,100	85,958
The Norman	23,361	23,555
Oakington	10,728	-
Orchards Church of England Primary School	118,554	65,731
Runcton Holme	15,304	16,974
St Andrews	87,915	86,601
St Botolph's	91,056	-
St John's, Huntingdon	85,577	81,314
Stanground St John's	52,299	50,471
St Luke's	23,958	-
St Martin at Shouldham	45,989	44,857
St Mary's, St Neots	38,911	38,463
St Peter's	63,590	60,931
Stilton	43,514	14,557
Swaffham Bulbeck	21,001	-
Swaffham Prior	29,052	-
Ten Mile Bank	12,403	13,405
Thriplow	33,691	22,959
Tilney All Saints	23,351	23,247
Weeting	34,426	34,973
William de Yaxley	49,747	47,301
Wisbech St Mary	45,087	45,085
Wormegay	12,283	11,781
Total	<u>1,600,647</u>	<u>1,269,833</u>

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

11. TRUSTEES' REMUNERATION AND EXPENSES

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

A Read (staff trustee) (FTE equivalent: .6)
Remuneration £60,000-£65,000
Employer's pension contributions £5,000 - £10,000

During the year ended 31 August 2019, travel and subsistence expenses totaling £1,100 (2018: £900) were reimbursed or paid directly to 1 Trustee (2018: 1)

12. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business and provides cover up to £10million. It is not possible to quantify the trustees and officer's indemnity element from the overall cost of the RPA scheme.

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NOTES TO THE FINANCIAL STATEMENTS
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13. TANGIBLE FIXED ASSETS

	Fixtures and Fittings £	Technology And Computer equipment £	Total £
Cost			
At 1 September 2018	960,324	517,895	1,478,219
Additions	164,901	193,196	358,097
Disposals	-	-	-
	<u>1,125,225</u>	<u>711,091</u>	<u>1,836,315</u>
Depreciation			
At 1 September 2018	270,751	253,718	524,469
Charge for the year	171,726	155,188	326,914
Disposals	-	-	-
	<u>442,477</u>	<u>408,906</u>	<u>851,383</u>
Net Book value			
At 31 August 2019	<u>682,748</u>	<u>302,185</u>	<u>984,933</u>
At 31 August 2018	<u>689,573</u>	<u>264,177</u>	<u>953,750</u>

14. DEBTORS

	2019 £	2018 £
Trade debtors	150,459	102,486
Other debtors	37,603	3,795
Prepayments and accrued income	740,107	565,879
Tax recoverable	318,654	255,446
	<u>1,246,823</u>	<u>927,606</u>

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

15. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Other loans	13,692	13,692
Trade creditors	842,572	714,905
Other taxation and social security	406,135	369,125
Other creditors	32,130	25,661
Accruals and deferred income	824,655	887,440
	<u>2,119,184</u>	<u>2,010,823</u>
Deferred income		
Deferred income at 1 September 2018	572,401	346,717
Resources deferred during the year	516,291	560,224
Amounts released from previous years	(572,401)	(334,540)
	<u>516,291</u>	<u>572,401</u>

Deferred income at the 2019 year end relates to Universal Infant Free School meal grants for the 2019/20 school year received before the balance sheet date.

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

16. CREDITORS: Amounts falling due after more than one year	2019	2018
	£	£
Other loans	127,415	141,107
	<u> </u>	<u> </u>

Included within the above are amounts falling due as follows:

	2019	2018
	£	£
Between two and five years		
Other loans	42,992	54,767
	<u> </u>	<u> </u>
Over five years		
Other loans	84,423	86,340
	<u> </u>	<u> </u>

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

Included within the above are amounts falling due as follows:

	2019	2018
	£	£
Repayable by instalments	84,423	86,340
	<u> </u>	<u> </u>

All loan balances are Salix loans for energy improvements, across two schools, All Saints and Milton. They are fully repayable over 4-15 years.

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

17. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted Funds						
General Funds	2,381,192	2,991,591	(1,921,515)	-	-	3,451,268
Restricted Funds						
General Annual Grant (GAG)	444,004	29,342,506	(29,394,704)	-	-	391,807
Pupil Premium	-	1,910,874	(1,910,874)	-	-	-
Other ESFA Grants	-	-	-	-	-	-
Start up grant	-	-	-	-	-	-
LEA Grant	-	1,545,678	(1,545,678)	-	-	-
Pension reserve	(9,311,000)	-	(3,360,000)	-	(6,584,000)	(19,255,000)
	<u>(8,866,996)</u>	<u>32,799,058</u>	<u>(36,211,256)</u>	<u>-</u>	<u>(6,584,000)</u>	<u>(18,863,194)</u>
Restricted fixed asset funds						
Fixed Assets on conversion	82,729	-	-	-	-	82,729
Catering	6,376	-	-	-	-	6,376
DFC	363,545	572,374	(74,410)	-	-	861,509
SCA	279,266	779,287	(398,223)	-	-	660,330
Other Capital Grants	1,285,044	39,507	(326,914)	-	-	997,637
	<u>2,016,960</u>	<u>1,391,168</u>	<u>(799,547)</u>	<u>-</u>	<u>-</u>	<u>2,608,581</u>
Total restricted Funds	<u>(6,850,036)</u>	<u>34,190,226</u>	<u>(37,010,803)</u>	<u>-</u>	<u>(6,584,000)</u>	<u>(16,254,612)</u>
Total of Funds	<u>(4,468,844)</u>	<u>37,181,817</u>	<u>(38,932,318)</u>	<u>-</u>	<u>(6,584,000)</u>	<u>(12,803,344)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS (continued)

Comparative information in respect of the preceding period is as follows;

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted Funds						
General Funds	2,338,745	2,341,630	(2,299,183)	-	-	2,381,192
Restricted Funds						
General Annual Grant (GAG)	651,200	22,922,015	(23,116,121)	-	-	444,004
Special Educational Projects	-	1,580,204	(1,580,204)	-	-	-
Other ESFA Grants	-	64,355	(64,355)	-	-	-
Start up grant	-	25,000	(25,000)	-	-	-
LEA Grant	-	964,832	(964,832)	-	-	-
Pension reserve	(8,002,000)	-	(3,899,000)	-	2,590,000	(9,311,000)
	<u>(7,350,800)</u>	<u>25,556,406</u>	<u>(29,662,602)</u>	<u>-</u>	<u>2,590,000</u>	<u>(8,866,996)</u>
Restricted fixed asset funds						
Fixed Assets on conversion	82,729	-	-	-	-	82,729
Catering	6,376	-	-	-	-	6,376
DFC	216,208	204,049	(56,712)	-	-	363,545
CIF	460,768	50,649	(232,151)	-	-	279,266
Other Capital Grants	449,921	1,276,984	(441,861)	-	-	1,285,044
	<u>1,216,002</u>	<u>1,531,682</u>	<u>(730,724)</u>	<u>-</u>	<u>-</u>	<u>2,016,960</u>
Total restricted Funds	<u>(6,134,798)</u>	<u>27,088,088</u>	<u>(30,393,326)</u>	<u>-</u>	<u>2,590,000</u>	<u>(6,850,036)</u>
Total of Funds	<u><u>(3,796,053)</u></u>	<u><u>29,429,718</u></u>	<u><u>(32,692,509)</u></u>	<u><u>-</u></u>	<u><u>2,590,000</u></u>	<u><u>(4,468,844)</u></u>

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

17. STATEMENT OF FUNDS (continued)

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

General Annual Grant - To be used for funding the school operating costs.

Other ESFA Grant - To be used for funding the school operating costs.

LEA Grant - To be used towards the costs of providing special educational needs

Start up grant - To be used towards the legal, professional and other costs of conversion.

Catering - To be used to purchase capital catering equipment for Universal Infant Free School Meals.

DFC - To be used towards capital projects meeting the ESFA's requirements.

SCA - To be used towards capital projects meeting the ESFA's requirements.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

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NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2019 were allocated as follows;

	2019 £	2018 £
Bury	194,918	198,408
St Johns, Stanground	176,679	124,292
Duchy of Lancaster, Methwold	39,799	30,701
Weeting	15,297	(4,173)
St Martin at Shouldham	258,209	257,153
The Norman, Northwold	(10,235)	(34,520)
All Saints	8,900	30,633
Runcton Holme	(35,309)	(29,638)
Wormegay	(711)	(7,391)
St Peter's	118,864	222,040
Anthony Curton	47,573	34,593
Tilney All Saints	137,365	312
William De Yaxley	70,830	45,393
Mepal and Witcham	69,500	75,793
St Andrew's	207,159	140,114
Ely St Marys	350,186	340,412
Marshland St James	112,885	106,499
St Mary St Neots	270,004	233,431
Hilgay	72,882	43,378
Ten Mile Bank	(14,105)	(14,242)
St Christophers	(69,282)	(80,285)
Ermine Street Church Academy	54,004	18,670
Guilden Morden Primary School	(28,679)	7,681
Guyhirn CofE Primary School	208,399	146,176
Milton Primary School	115,413	152,288
St Johns Huntingdon	183,453	144,227
Wisbech St Mary	36,829	(31,571)
Elm	81,433	35,154
Babraham	50,672	31,807
Farcet	58,878	69,051
Stilton	63,236	108,694
Thriplow	73,126	16,154
Orchards	218,822	133,347
St Botolph's	131,824	-
Swaffham Bulbeck	13,572	-
Swaffham Prior	85,246	-
St Luke's	25,616	-
Oakington	56,525	-
Holme	49,187	-
Central Services	344,111	280,615
Total before fixed asset fund and pension reserve	3,843,075	2,825,197
Restricted fixed asset fund	2,608,581	2,016,960

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Pension reserve	(19,255,000)	(9,311,000)
Total:	<u>(12,803,344)</u>	<u>(4,468,843)</u>

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

17. STATEMENT OF FUNDS (continued)

The following academies are carrying a net deficit on their portion of the funds:

Name of academy	Amount of deficit £
The Norman, Northwold	£10,235
Runton Holme	£35,309
Wormegay	£711
Ten Mile Bank	£14,105
St Christopher's	£69,282
Guilden Morden	£28,679

The Norman is carrying a deficit of £10,235 it is part of the Trinity partnership, also incorporating Duchy of Lancaster & Weeting. The partnership already shares staffing to make most efficient and effective use of resource across these smaller, rural Academies. The partnership appointed a new Executive Headteacher in September 2019 and the shared services team will work closely with the Senior Leadership team to return the budgets to small surplus' across three years.

Runton Holme & Wormegay are carrying deficits of £35,309 & £711 respectively and are partnered to support resourcing economies of scale across these small, rural schools. The Trust is working with other partners to establish a longer term, sustainable solution.

The deficit balance for Guilden Morden was part of a strategic decision to stabilise the school following its inadequate Ofsted rating and subsequent conversion. Now the school is stabilized and deemed 'Good' by Ofsted (September 2019), the Trust is reviewing the 3 year plan to return to the budget to balance and eliminate the deficit.

St Christopher's is carrying a deficit at 31 August 2019 of £69,282. This is a reduction in comparison to previous periods, and the 2018/2019 budget has generated a small surplus. The single largest challenge for this school is pupil recruitment, as it remains at 75% capacity.

Ten Mile Bank is carrying a deficit of £14,105, and is partnered with Hilgay, carrying a £72,882 surplus. Currently the schools are sharing a Headteacher, both schools are currently operationally sustainable but, as with Runton Holme & Wormegay, the Trust is working to establish a longer term, sustainable solution. This includes consideration of the long term financial sustainability but also the quality of education that can be provided to pupils in schools of less than 50 children.

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

17. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and Educational Support staff Costs £	Other support Staff costs £	Educational supplies £	Other costs Excluding Depreciation £	Total 2019 £	Total 2018 £
Bury	542,078	86,553	83,499	95,925	808,055	813,432
St Johns, Stanground	672,476	79,356	81,229	125,150	958,211	968,599
Duchy of Lancaster	310,013	66,039	56,988	99,900	532,940	511,393
Weeting	505,854	71,462	29,172	72,363	678,851	802,520
St Martin at Shouldham	767,153	60,975	123,452	119,322	1,070,902	1,036,783
The Norman, Northwold	246,561	139,431	66,294	77,835	530,121	587,979
All Saints	265,170	67,981	78,069	123,654	534,874	593,213
Runcton Holme	220,646	36,600	23,972	47,011	328,229	329,852
Wormegay	173,448	26,744	21,029	37,232	258,453	258,956
St Peter's	878,254	136,879	144,818	162,520	1,322,471	1,258,776
Anthony Curton	640,518	137,779	30,509	87,753	896,559	974,237
Tilney All Saints	192,738	56,681	17,730	41,092	310,241	444,546
William De Yaxley	703,638	101,884	137,052	83,651	1,026,225	1,140,027
Mepal and Witcham	303,646	35,379	43,904	74,652	457,581	454,679
St Andrew's	1,331,010	137,326	149,673	289,593	1,907,602	1,935,051
Ely St Marys	1,227,922	272,455	199,948	180,642	1,880,967	1,750,905
Marshland St James	345,862	65,239	19,250	60,749	491,100	512,541
St Mary St Neots	600,433	73,572	66,491	96,691	837,187	855,706
Hilgay	188,385	40,617	43,659	57,561	330,222	579,703
Ten Mile Bank	159,603	18,616	21,368	50,959	250,546	256,610
St Christopher's	963,822	136,875	94,530	213,909	1,408,136	1,384,302
Ermine Street Church Academy	428,229	74,980	79,084	117,716	700,009	630,370
Guilden Morden Primary School	274,074	55,961	35,307	61,824	427,166	462,271
Guyhirn CofE Primary School	335,092	34,957	47,573	77,894	495,516	509,423
Milton Primary School	1,143,356	92,609	118,574	268,974	1,623,513	1,714,727
St John's Huntingdon	1,214,226	147,915	95,582	207,853	1,665,576	1,661,508
Wisbech St Mary	692,925	147,828	48,112	94,937	983,812	938,515
Elm	654,376	205,656	88,437	120,326	1,068,795	947,496
Babraham	291,576	40,945	35,742	76,805	445,068	309,971
Farcet	437,318	79,156	48,566	87,876	652,916	354,653
Stilton	674,488	111,139	65,097	92,531	943,255	270,308
Thriplow	437,488	57,055	45,695	82,949	623,187	489,289

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

17. STATEMENT OF FUNDS (continued)

Orchards	1,736,517	265,153	127,650	296,569	2,425,889	1,277,717
St Botolph's	1,162,134	373,501	80,680	247,814	1,864,129	-
Swaffham Bulbeck	352,955	36,180	16,824	47,423	453,382	-
Swaffham Prior	393,283	60,871	34,560	80,425	569,139	-
St Luke's	378,279	38,214	18,388	114,694	549,575	-
Oakington	97,277	18,063	21,479	111,295	248,114	-
Holme	167,061	37,738	20,414	48,645	273,858	-
Central Services	34,915	2,192,330	57,919	1,484,868	3,770,032	2,847,127
	<u>22,144,801</u>	<u>5,919,692</u>	<u>2,618,326</u>	<u>5,919,585</u>	<u>36,602,404</u>	<u>30,148,509</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Restricted fixed asset funds 2019 £	Total Funds 2019 £
Tangible Fixed Assets	-	-	984,933	984,933
Current Assets	3,451,268	2,638,406	1,623,648	7,713,322
Creditors due within one year	-	(2,119,184)	-	(2,119,184)
Creditors due in more than one year	-	(127,415)	-	(127,415)
Pension scheme liability	-	(19,255,000)	-	(19,255,000)
	<u>3,451,268</u>	<u>(18,863,193)</u>	<u>2,608,581</u>	<u>(12,803,344)</u>

Comparative information in respect of the preceding period is as follows;

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Restricted fixed asset funds 2018 £	Total Funds 2018 £
Tangible Fixed Assets	-	-	953,750	953,750
Current Assets	2,381,192	2,595,934	1,063,210	6,040,336
Creditors due within one year	-	(2,010,823)	-	(2,010,823)
Creditors due in more than one year	-	(141,107)	-	(141,107)
Pension scheme liability	-	(9,311,000)	-	(9,311,000)
	<u>2,381,192</u>	<u>(8,866,996)</u>	<u>2,016,960</u>	<u>(4,468,844)</u>

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

**19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH
FLOW FROM OPERATING ACTIVITIES**

	2019	2018
	£	£
Net expenditure for the year (as per Statement of financial activities)	(1,750,500)	(3,262,791)
Depreciation charges	326,914	285,324
Decrease/ (Increase) in debtors	(319,218)	13,348
(Decrease) Increase in creditors	108,361	(108,782)
Defined benefit pension scheme adjustments	3,360,000	3,899,000
Capital grants from the DfE & other capital monies	(1,391,168)	(1,531,682)
Net cash provided by operating activities	<u>334,389</u>	<u>(705,583)</u>

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019	2018
	£	£
Cash in hand	6,466,498	5,112,730
Debts due within 1 year	(13,692)	(13,692)
Debts due in more than 1 year	(127,415)	(141, 107)
	<u>6,325,391</u>	<u>4,957,931</u>

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

21. CONVERSION TO AN ACADEMY TRUST

On the 1 September 2018 Swaffham Prior Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations, assets and liabilities were transferred to DEMAT from Cambridgeshire County Council for nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

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

	Unrestricted	Restricted	Restricted Fixed Asset	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Budget surplus/(deficit) on LA funds	70,587	-	-	70,587
LGPS pension surplus/(deficit)	-	(167,000)	-	(167,000)
Net assets/(liabilities)	<u>70,587</u>	<u>(167,000)</u>	<u>-</u>	<u>(96,413)</u>

On the 1 September 2018 St Botolph's Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations, assets and liabilities were transferred to DEMAT from Cambridgeshire County Council for nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

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

	Unrestricted	Restricted	Restricted Fixed Asset	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Budget surplus/(deficit) on LA funds	124,162	-	-	124,162
LGPS pension surplus/(deficit)	-	(409,000)	-	(409,000)
Net assets/(liabilities)	<u>124,162</u>	<u>(409,000)</u>	<u>-</u>	<u>(284,838)</u>

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

21. CONVERSION TO AN ACADEMY TRUST (continued)

On the 1 November 2018 Swaffham Bulbeck Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations, assets and liabilities were transferred to DEMAT from Cambridgeshire County Council for nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

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

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed asset Funds £	Total Funds £
Budget surplus/(deficit) on LA funds	34,904	-	-	34,904
LGPS pension surplus/(deficit)	-	(96,000)	-	(96,000)
Net assets/(liabilities)	<u>34,904</u>	<u>(96,000)</u>	<u>-</u>	<u>(61,096)</u>

On the 1 January 2019 Holme Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations, assets and liabilities were transferred to DEMAT from Cambridgeshire County Council for nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

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

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed asset Funds £	Total Funds £
Budget surplus/(deficit) on LA funds	56,802	-	-	65,802
LGPS pension surplus/(deficit)	-	(120,000)	-	(120,000)
Net assets/(liabilities)	<u>56,802</u>	<u>(120,000)</u>	<u>-</u>	<u>(63,198)</u>

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

21. CONVERSION TO AN ACADEMY TRUST (continued)

On the 1 March 2019 St Luke's Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations, assets and liabilities were transferred to DEMAT from Cambridgeshire County Council for nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

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

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed asset Funds £	Total Funds £
Budget surplus/(deficit) on LA funds	59,884	-	-	59,884
LGPS pension surplus/(deficit)	-	(342,000)	-	(342,000)
Net assets/(liabilities)	<u>59,884</u>	<u>(342,000)</u>	<u>-</u>	<u>(282,116)</u>

On the 1 May 2019 Oakington Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations, assets and liabilities were transferred to DEMAT from Cambridgeshire County Council for nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

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

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed asset Funds £	Total Funds £
Budget surplus/(deficit) on LA funds	50,854	-	-	50,854
LGPS pension surplus/(deficit)	-	(124,000)	-	(124,000)
Net assets/(liabilities)	<u>50,854</u>	<u>(124,000)</u>	<u>-</u>	<u>(73,146)</u>

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

22. CAPITAL COMMITMENTS

At 31 August 2019 the academy had capital commitments as follows:

	2019	2018
	£	£
Contracted for but not provided in these financial statements	101,000	108,228

A further £550,000 has been allocated to projects but is yet to be contractually committed.

23. PENSION COMMITMENTS

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

A smaller number of staff belong to the Church Workers Pension Fund (CWPF) which is managed by the Church of England's Pension Board.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012, of the LGPS 31 March 2016 and of the CWPF 31 December 2013.

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

Teachers' Pension Scheme

Introduction

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

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

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

23. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £1,908,816 (2018 - £1,490,771).

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.

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

23. PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £2,098,000 (2018 - £1,551,000), of which employer's contributions totalled £1,676,000 (2018 - £1,240,000) and employees' contributions totalled £422,000 (2018 - £311,000). The agreed contribution rates for future years are 23% for employers and 5.5- 8.5% for employees.

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

Principal actuarial assumptions:

	2019	2018
Discount rate for scheme liabilities	1.9%	2.5%
Rate of increase in salaries	2.6%	2.6%
Rate of increase for pensions in payment /inflation	2.5%	2.6%

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

23. PENSION COMMITMENTS (continued)

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

	2019	2018
Retiring today		
Males	21.6	22.1
Females	23.8	24.4
Retiring in 30 years		
Males	22.9	24.0
Females	25.4	26.4

Sensitivity analysis

	2019	2018
		£
0.5% decrease in real discount rate	4,851,000	2,721,000
0.5% increase in Salary increase rate	701,000	454,000
0.5% increase in Pension increase rate	4,045,000	2,236,000

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

	Fair value at 31 August 2019 £	Fair value at 31 August 2018 £
Equities	8,823,000	6,687,000
Debt instruments	3,854,000	2,508,000
Property	2,282,000	1,010,000
Cash	253,000	244,000
	<u>15,212,000</u>	<u>10,448,000</u>

The actual return on scheme assets was a gain/(loss) of £322,000 (2018 – £431,000)

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

23. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2019 £	2018 £
Current service cost (net of employee contributions)	(2,689,000)	(2,321,000)
Net interest cost	(344,000)	(254,000)
Total	<u>(3,033,000)</u>	<u>(2,575,000)</u>
Actual return on scheme assets	<u>322,000</u>	<u>431,000</u>

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

	2019 £	2018 £
Opening defined benefit obligation	19,759,000	14,645,000
Current service cost	2,689,000	2,321,000
Interest cost	712,000	465,000
Contributions by employees	422,000	311,000
Benefits paid	(94,000)	(94,000)
Actuarial losses/(gains)	6,906,000	(2,159,000)
Transferred on conversion	4,073,000	4,245,000
Closing defined benefit obligation	<u>34,467,000</u>	<u>19,759,000</u>

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

	2019 £	2018 £
Opening fair value of scheme assets	10,448,000	6,643,000
Upon conversion	2,070,000	1,701,000
Interest income	368,000	211,000
Return on plan assets (excluding net interest on the net defined pension liability)	322,000	431,000
Contributions by employer	1,676,000	1,240,000
Contributions by employees	422,000	311,000
Benefits paid	(94,000)	(94,000)
Closing fair value of scheme assets	<u>15,212,000</u>	<u>10,448,000</u>

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

23. PENSION COMMITMENTS (continued)

Church Workers' Pension Fund

Diocese of Ely Multi-Academy Trust (PB 2014) participates in the Pension Builder Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pension Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

The Pension Builder Scheme of the Church Workers' Pension Fund is made up of two section, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs, £54,216 (2018: £56,470) charged to the SoFA relating to this scheme in the year are contributions payable.

A valuation of the scheme is carried out once every three years, the most recent scheme valuation completed and approved by the Pension Fund Trustees was carried out as at 31 December 2016. For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The legal structure of the scheme is such that if another employer fails, DEMAT could become responsible for paying a share of that employer's pension liabilities.

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

24. OPERATING LEASE COMMITMENTS

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

	2019	2018
	£	£
Amounts payable:		
Within 1 year	50,054	17,748
Between 1 and 5 years	25,756	21,644
Total	<u>75,810</u>	<u>39,392</u>

25. RELATED PARTY TRANSACTIONS

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

There has been no related party transactions in the year to disclose.

26. POST BALANCE SHEET EVENTS

There has been no post balance sheet events to disclose.

27. MEMBERS' LIABILITY

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

