

Diocese of Southwell and Nottingham Multi- Academy Trust

Registered number: 08738949

Trustees report and financial statements

For the year ended 31 August 2018

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 15
Governance Statement	16 - 19
Statement on Regularity, Propriety and Compliance	20
Statement of Trustees' Responsibilities	21
Independent Auditor's Report on the Financial Statements	22 - 24
Independent Reporting Accountant's Assurance Report on Regularity	25 - 26
Statement of Financial Activities Incorporating Income and Expenditure Account	27
Balance Sheet	28
Statement of Cash Flows	29
Notes to the Financial Statements	30 - 55

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

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2018

Members

Southwell & Nottingham Diocesan Board of Finance (Corporate)
Bishop of Southwell & Nottingham
Chair of the Board of Southwell & Nottingham Multi Academy Trust
Chair of The Diocese of Southwell & Nottingham Board of Education

Trustees

Roger Periam
Ian Griffiths
Hilary Craik
Philip Blinston
Angela Pae
Claire Meese
Diane Ward (resigned 25 January 2018)
Chris Moodie
John Hunter (appointed 12 December 2017)

Company registered number

08738949

Company name

Diocese of Southwell and Nottingham Multi-Academy Trust

Principal and registered office

Jubilee House, Westgate, Southwell, Nottingham, NG25 0JH

Company secretary

Sarah Perry

Chief executive officer

Chris Moodie

Senior management team

Chris Moodie, CEO
Anna Martin, Principal Magnus C of E Academy
Kerrie Clowes, Headteacher Harworth C of E Academy
Jo Redfern, Executive Headteacher St Mary Magdalene C of E Primary School
Laura Di Martino, Head of School St Mary Magdalene C of E Primary School
David White, Headteacher St John's C of E Academy
Phil Abbott, Headteacher Worksop Priory C of E Primary Academy
Liz Duffell, Headteacher St Peter's Crosskeys C of E Academy
Heather Gabb, Headteacher Burntstump Seely C of E Primary Academy
Nadeem Shah, Executive Headteacher The William Gladstone C of E Primary Academy
Sarah Perry, Business Director
James Marshall, Headteacher St Peter's C of E Primary Academy Mansfield

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS
TRUSTEES AND ADVISERS
*FOR THE YEAR ENDED 31 AUGUST 2018***

Advisers (continued)

Independent auditor

Mazars LLP, Park View House, 58 The Ropewalk, Nottingham, NG1 5DW

Bankers

Lloyds Bank PLC, 12 - 16 Lower Parliament Street, Nottingham, NG1 3DA

Solicitors

Anthony Collins Solicitors LLP, 134 Edmund Street, Birmingham, B3 2ES

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

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditors' Report of Diocese of Southwell and Nottingham Multi Academy Trust for the year ended 31 August 2017. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

During the reporting period the Trust operated academies as follows:

- Magnus C of E Academy - an academy for pupils aged 11-19 serving a catchment area in Newark, Nottinghamshire with a pupil capacity of 1050 and 545 11 – 16 students plus 82 post 16 students on roll in the school census of October 2017.
- Harworth C of E Academy - an academy for pupils aged 4 – 11 serving a catchment area in Harworth Nottinghamshire with a capacity of 210 and 195 on roll as in the census October 2017.
- St Mary Magdalene C of E Primary School - an academy for pupils aged 4 – 11 serving a catchment area in Sutton-in-Ashfield in Nottinghamshire with a capacity of 210 and 209 on roll as in the census October 2017.
- St John's C of E Academy - an academy for pupils aged 4 – 11 serving a catchment area in Worksop in Nottinghamshire with a capacity of 420 and 411 on roll as in the census October 2017.
- St Peter's Crosskeys C of E Academy – an academy for pupils aged 4 – 11 serving a catchment area around Farndon in Nottinghamshire with a capacity of 210 and 179 on roll as in the census October 2017.
- Burntstump Seely C of E Primary Academy – an academy for pupils aged 4 – 11 serving a catchment area around Arnold in Nottinghamshire with a capacity of 133 and 88 on roll as in the census October 2017.
- Worksop Priory C of E Primary Academy – an academy serving a catchment area in Worksop in Nottinghamshire with a capacity of 210 pupils aged 4 – 11 and 200 on roll in the census of October 2017. This academy also has Early Years Foundation Stage provision.
- The William Gladstone C of E Primary Academy – an academy serving a catchment area in Newark in Nottinghamshire with a capacity for 345 pupils aged 3 – 11 and 284 on roll in the census October 2017 including 20 Early Years Foundation Stage pupils.
- St Peter's C of E Primary Academy Mansfield – an academy serving a catchment area in Mansfield in Nottinghamshire with a capacity for 315 pupils aged 3 – 11 and 268 on roll on the October 2017 census. This academy joined SNMAT on 1 November 2017.
- St Swithuns C of E Primary Academy – an academy serving a catchment area in East Retford in Nottinghamshire with 115 pupils on roll on the October 2017 census, of which 8 were Early Years Foundation Stage. This academy joined SNMAT on 1 April 2018.

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

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of the Diocese of Southwell and Nottingham Multi Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as the Diocese of Southwell and Nottingham Multi Academy Trust (SNMAT) but also trades under the names of its individual academies as follows:

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

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

Members' liability

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

Trustees' indemnities

Indemnity cover to the value of £5,000,000 is provided for each academy through the DfE Risk Protection Arrangement for which a deduction is made on a monthly basis from the General Annual Grant Funding Allocations. This cover applies to all trustees of the trust acting in accordance with the role of professional responsibilities of the Multi Academy Trust in addition to the local governing bodies of the individual academies.

Method of recruitment and appointment or election of Trustees

Potential new trustees are identified by the MAT Board, ensuring that the skills and expertise of new trustees are complimentary to those existing on the Board. Under the Articles of Association the SNMAT Members have the power to appoint trustees - they are not subject to election.

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new trustees depends upon their experience. Where necessary and appropriate the induction process will provide training on charity, education, legal and financial matters. All new trustees are welcome to visit any of the academies and to meet with staff and students. All trustees are provided with access to policies, procedures, minutes, accounts, budget plans and any documents that they may need to undertake their role as trustee. As there are usually no more than one or two new trustees per year, induction tends to be informal and is tailored specifically to the individual trustee.

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

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

Organisational structure

The Trust is run by a Board of Directors who have overall legal responsibility for the operation of the Trust and the Academies within it. The Board works in partnership with its academies. Each Academy has its own Local Governing Body. The Governors who serve on the Local Governing Body are appointed by the Board of Directors. They include both parent and staff representatives. The Trust continues to grow and it is anticipated that The Samworth Church Academy and Gamston C of E Primary School will both join SNMAT on 1 December 2018 and 1 January 2019 respectively.

Academies joining the Trust are allocated to the appropriate academy category based on their latest Ofsted inspection report and recent performance trends. The Trust operates a Scheme of Delegation, which covers finance, human resources, education, asset management and strategy. It provides for certain functions to be carried out by one or more of the following: the Board of Directors, the Chief Executive Officer, the Principal/Headteacher of the Academy and the Local Governing Body of the Academy. The Board of Directors also has a Finance Committee, which oversees budget and financial decision-making, makes recommendations to the Board and acts as the Audit Committee and a Standards Committee, which focuses on school improvement. A Remuneration Committee has been established agree the remuneration for senior centrally appointed staff. The category of allocation is important because the scheme of delegation dictates the constitution of the Local Governing Body and the extent to which responsibilities are delegated to the Local Governing Body of the academy by the Trust Board. During the period under review the Trust served three sponsored academies, two supported academies and five supporting academies.

A significant number of responsibilities under the Scheme of Delegation lie with the Chief Executive Officer (CEO) of the MAT. The CEO delegates some duties to staff appointed by the Trust, staff from the Diocesan education team and appointed consultants.

As the Board of Directors has overall responsibility for the academies within the Trust, it exercises a 'tighter rein' over sponsored academies and this is reflected in the Scheme of Delegation. The scheme allows more responsibility to be passed to supported academies to reflect their higher performance and for supporting academies there is very much a light touch approach. The aim is that all academies move from sponsored through Supported to Supporting and in 2017-2018 the decision was made to move Magnus from Sponsored to Supported.

Arrangements for setting pay and remuneration of key management personnel

None of the trustees of the multi academy trust receives pay or remuneration with the exception of the Chief Executive Officer. The CEO, Business Director and Director of IT of the trust are currently remunerated at spot rates, which were set following benchmarking exercises prior to recruitment. The CEO is paid at a level below the top of the STCPD Leadership Group pay range, which allows for reasonable differentiation between the role and that of the highest paid Principal/Headteacher. These posts are remunerated at a level below that often paid to postholders in similar roles in other academy trusts. The responsibility for determining, and annually reviewing, the level of pay of the central senior management staff has been delegated to the Remuneration Committee of the Board of Directors.

Pay ranges for principals/headteachers, deputy headteachers and assistant headteachers are determined in line with STPCD for new appointments, where responsibilities significantly change or if the academy trust chooses to review pay of leadership posts in line with STPCD. The pay ranges take into account all permanent responsibilities of the role, any challenges that are specific to the role and all other relevant considerations including the skills and competencies required. Pay ranges allow appropriate scope for performance related progression over time.

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

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

Related parties and other connected charities and organisations

The SNMAT works closely with the Diocese of Southwell and Nottingham as the trust has been set up primarily to serve church schools within the Diocese. The Diocesan Board of Finance initially provided funds related to the setting up of the Multi Academy Trust and is a corporate member of the Trust. Maintaining this link is a commitment made by both parties as the Trust grows and develops. The Central Team for the Trust is based at the Diocese of Southwell and Nottingham offices in Jubilee House in Southwell and rents facilities there at cost under a service level agreement. Support is also provided for the Trust by the Deputy Diocesan Director of Education and an Administration Assistant for Admissions and Governance at cost.

Objectives and Activities

Objects and aims

The principle object and activity of the charitable company as stated in its Articles of Association is to advance for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

In accordance with the articles of association, the charitable company has entered into relevant funding agreements with the Secretary of State. The funding agreements specify, amongst other things, the basis for admitting students to the academies, the catchment area from which the students are drawn, and that the curriculum should be broad and balanced.

The main objects/aims of the trust during the year ended 31 August 2018 are summarised below:

- To express, both explicitly and implicitly, core Christian values such as responsibility, acceptance, truth and justice throughout our schools and academies and for these to be reflected in all aspects of the curriculum offered.
- To focus on the academic development of pupils with particular reference to Communication, Literacy, Numeracy and IT skills within a curriculum framework that also pays close attention to the personal development of pupils, their leadership and organisational skills, their understanding of citizenship, community involvement and forming a constructive relationship with the world of work.
- To develop pupils' abilities to make informed choices, solve problems and make decisions.
- To encourage a holistic approach to the development of pupils believing that each person is an individual made in the image of God and should therefore be supported to reach their full potential by receiving the very best education possible.
- To ensure that all pupils succeed and thrive in school by raising aspirations and tackling disadvantage.
- To provide strong support for operational needs to enable headteachers and their staff to focus on teaching and learning.

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

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

Objectives, strategies and activities

In its fifth year of operation two more primary academies were welcomed into the Trust, both of which are sponsored academies. The main aims of the Trust have been to amalgamate these academies successfully into the Trust, and, in particular, to address their needs to enable them to embark on their improvement journeys. The organisational structure and systems have been constantly under review to maintain flexibility and enable the Trust to continue to grow and support a larger number of academies going forward.

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

The headline outcomes are:

1. Quality Assurance strategies are improving. In all of the academies reviewed Quality Assurance is in place but some leaders cannot readily point to the impact of their work in this area.
2. Documentary routes through QA are often overly burdensome, and quality of reporting is replaced by quantity: a lengthy report is sometimes the end result of a piece of QA. This needs to be refined in order that actions arising from the QA are identified, which then are put in place by leaders.
3. The role of senior leaders in QA is mixed. This is commonly driven by context (smaller academies have less leadership capacity. Drop-ins are infrequently undertaken by anyone other than the HT.
4. The role of SLT meetings in harnessing information and determining specific actions is under-developed. It happens in some academies but not in all.
5. Self-Evaluation is embedded as a leadership task across SNMAT. A SEF summary, which is a precis of a longer document either already exists or is under construction.
6. Academy improvement plans vary in quality but are consistent in identifying the right priorities for individual academies.
7. The leadership capacity within SNMAT is becoming a key feature in our work. Head teachers are now much more actively seeking advice, support and guidance from 'successful' colleagues. In the past, this was brokered centrally. It is now occurring organically and with enthusiasm. Two primary head teachers are particularly sought after.

Key performance indicators identified by the Trust are used to monitor, evaluate and review the performance of the academies and to quality assure the education they provide to pupils. This is done in a consistent, open and supportive manner. The Trust will continue to drive standards within its academies through effective school improvement, brokering school to school support and promoting the sharing of best practice. As more schools join the Trust they will be encouraged to learn from one another as well as from schools in the wider diocese. Structures will be developed to support and safeguard pupils, identify barriers to learning and provide appropriate interventions through the use of internal procedures and other external professionals.

The MAT is continuing to develop trust wide policies and protocols to support leaders and managers in academies, to ensure all employees are valued in the same way and that the MAT is a balanced, supportive and fair employer. This will be continued in 2018-2019.

Public benefit

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

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

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

Achievements and performance

Key performance indicators

The key performance indicators in schools and academies tend to be set in terms of Teaching and Learning rather than financial performance.

Performance at the Secondary Academy

The attainment of students in 2018 is slightly below that in 2017, as evidenced in the table below. However, the difference is marginal and the 2018 cohort was weaker on entry to the Academy (Average KS2 on entry of 4.37 compared to 4.53 for the 2017 cohort). The Progress 8 score, although still an estimated score at this point, has improved with a confidence limit that may end up being positive enabling the academy to claim average progress for the cohort.

For students in the academy (excluding those in the behavioural unit, other provisions or students who didn't attend any educational setting from the data) and in receipt of teaching and interventions the P8 score is almost 0 (average) and as the confidence limit is above these results are Average in line with all schools nationally.

Measure	2017 All Students (147)	2018 All Students (128)	2017 Students in Main Academy (132)	2018 Students in Main Academy (120)
A8	3.89	3.79	4.15	3.97
P8 (sample prediction)	-0.366	-0.233	-0.168	-0.077
Upper confidence limit	-0.156	-0.004	0.052	0.160
E and M 5+(%)	28.6	26.6	31.8	28.3
E and M 4+ (%)	51.7	50	56.8	53.3
EBacc average	3.00	3.11	3.23	3.28

Overall, from lower starting points, students made better progress than in the past. This supports the academy's self-evaluation that outcomes are now 'good'.

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

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

POST 16

Students' outcomes were very positive this year, albeit with low entry numbers and the ALPS score is as good as it can be (1).

Attainment: Overall A* - B 76.4% A* - C 100% A*-E – 100%

	A Level			National (2017)	Applied General			National (2017)
	2018	2017	2016		2018	2017	2016	
Average Grade	C+	C-	D	C	Dist*	Dist*	Dist*	Dist
Average Point Score Per Entry	34.55	28.18	19.86	32.70	71.86	41.82	42.83	35.64
% A* - A (Dist* - Dist)	22.2%	0	0	26.5%	76.9%	86%	95%	
% A* - B	66.6%	32%	13%	53.3%				
% A* - E	100%	100%	100%	98.1%	100%	100%	100%	
% Achieving AAB or higher in 2 facilitating subjects	0%	0%	0%	16.6%				
Grade and points for a students' 3 best A Levels	D+ 23.33	C- 27.14	D- 16.67	C+ 34.75				

Key Stage 2 (KS2)

Taken as a single cohort at the end of Y6, SNMAT pupils are in line with national levels in terms of ARE in mathematics and GPS. In both reading, writing and the combined score, outcomes are 2% below the national figure.

Pupils in supporting academies have very different outcomes and are well above national levels in all measures. The proportions above the national figure are:

- o +8% in reading
- o +6% in mathematics
- o +9% in GPS
- o +7% in writing
- o 10% in combined r/w/m

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

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

	R	M	GPS	W	R/W/M
National Data	75	76	78	78	64
Burntstump	54	69	62	54	38
Difference	-21	-7	-16	-24	-26
St Peters Crosskeys	76	76	82	82	70
Difference	1	0	4	4	6
St Johns	80	72	87	83	65
Difference	5	-4	9	5	1
Harworth	93	100	96	96	93
Difference	18	24	18	18	29
William Gladstone	50	59	56	56	35
Difference	-25	-17	-22	-22	-29
Worksop Priory	86	93	86	83	83
Difference	11	17	8	5	19
St Marys	83	80	83	83	70
Difference	8	4	5	5	6
St Peter's Mansfield	63	67	66	73	55
Difference	-12	-9	-12	-5	-9
St Swithuns	37	62	62	75	12
Difference	-38	-14	-16	-3	-52

EYFS and Key Stage 1 (KS1)

	EY	Y1	Y2		
	GLD	Phonics	Reading	Writing	Maths
National Data (2017)	71	81	76	68	75
Burntstump	75	77	69	75	69
Difference	4	-4	-7	7	-6
St Peters Crosskeys	70	83	67	67	67
Difference	-1	2	-9	-1	-8
St Johns	63	81	64	67	69
Difference	-8	0	-12	-1	-6
Harworth	85	81	80	80	80
Difference	14	0	4	12	5
William Gladstone	39	30	42	32	42
Difference	-32	-51	-34	-36	-33
Worksop Priory	53	67	73	70	70
Difference	-18	-14	-3	2	-5
St Marys	80	93	79	76	83
Difference	9	12	3	8	8
St Peter's Mansfield	62	72	46	33	54
Difference	-9	-9	-30	-35	-21
St Swithuns	60	61	61	50	88
Difference	-11	-20	-15	-18	13

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

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

Two clear issues arise from this data:

1. Y6 data is stronger than EY and KS1.
2. It is very clear that our concerns continue to lie with the four academies that are either supported or sponsored:
 - Burntstump Seely
 - William Gladstone
 - St Peter's Mansfield
 - St Swithun's

Each of these academies has a different context and the Trust has responded to this in its improvement plans for the individual academy.

Financial Performance Indicators

Financial Key Performance Indicators measure the teacher cost per pupil, other staff costs per pupil, percentage of the income spent on staffing, other income and expenditure per pupil. Value for money is demonstrated if the level of expenditure per pupil has produced test results, which are on target or have exceeded the target. The table below shows the financial KPIs by the central MAT and individual academies.

Location	School Type	Pupil /Teacher	Teach cost per pupil inc SLT	Edu supp cost per pupil	Other staff costs per pupil	Staff costs / Total costs	Staff costs / GAG income	Staff costs / Total income	Total Cost per pupil
CEN	OTHER	0.00	0.00	0.00	0.00	56.80%	73.40%	56.07%	0.00
FSP	PRIMARY	26.03	1,933.73	1,002.31	409.22	75.45%	93.19%	73.17%	4,433.55
HAR	PRIMARY	21.38	1,906.61	949.65	523.84	82.78%	94.05%	76.79%	4,083.08
JON	PRIMARY	20.45	1,774.15	876.48	465.96	76.02%	90.74%	72.87%	4,099.77
MAG	SECONDARY	15.27	3,524.97	1,064.65	796.15	81.29%	97.13%	79.33%	6,625.41
MSP	PRIMARY	28.57	1,412.94	761.42	610.34	77.94%	99.48%	69.28%	3,572.67
PRI	PRIMARY	23.23	2,022.81	1,386.29	367.84	83.87%	118.36%	81.99%	4,503.22
SEE	PRIMARY	18.43	2,530.76	657.94	563.78	72.29%	86.22%	73.04%	5,190.90
SSM	PRIMARY	24.76	1,791.80	627.19	470.21	75.10%	81.40%	68.88%	3,846.88
SWI	PRIMARY	22.62	1,054.32	481.11	344.35	80.77%	106.49%	69.80%	2,327.39
WMG	PRIMARY	19.86	2,422.80	1,409.87	918.35	75.89%	108.81%	80.81%	6,260.25

Location	School Type	Total Income per pupil	GAG Income ratio	Non - Teaching / Teaching	Cfwd Ratio	Cash Balances Income ratio	Current Ratio liquidity
CEN	OTHER	0.00	76.38%	0.00%	1.29%	28.02%	269.49%
FSP	PRIMARY	4,571.65	78.52%	73.00%	3.02%	2.79%	174.74%
HAR	PRIMARY	4,401.84	81.64%	62.89%	7.24%	5.37%	478.89%
JON	PRIMARY	4,276.90	80.30%	72.04%	4.14%	3.17%	349.81%
MAG	SECONDARY	6,789.42	81.67%	50.65%	2.42%	-1.54%	18.75%
MSP	PRIMARY	4,019.32	69.64%	74.96%	11.11%	14.54%	294.41%
PRI	PRIMARY	4,606.31	69.27%	85.50%	2.24%	1.59%	120.11%
SEE	PRIMARY	5,137.36	84.72%	42.06%	-1.04%	0.72%	-64.72%
SSM	PRIMARY	4,194.55	84.62%	56.66%	8.29%	1.35%	26.36%
SWI	PRIMARY	2,693.00	65.55%	73.97%	13.58%	16.79%	256.32%
WMG	PRIMARY	5,879.35	74.26%	67.97%	-6.48%	-8.42%	-366.97%

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

It is usually accepted that staff costs should be about 80% of the total expenditure for a school. However the figures do not include the costs of staff who are not paid through SNMAT. In some cases Executive Headteachers and Sencos, employed by other schools, work partially in SNMAT academies by arrangement and those schools are reimbursed for their time. The staffing profile, especially for small to medium size primary schools, also impacts on the overall staffing costs. The figures for St Peters Mansfield and St Swithun's are not reliable for some indicators as these are for 10 months and 5 months only respectively.

Going concern

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

Financial review

Factors relevant to achieve objectives

Most of the SNMAT's income is obtained from the Department for Education in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the Department for Education during the year ending 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The SNMAT also received grants for Devolved Formula Capital for the purchase of fixed assets from the Department for Education. In accordance with the 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) "SORP 2015" such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful economic life of the assets concerned.

The in year surplus for the restricted general funds plus the unrestricted funds is £431,605 and the total reserves (restricted funds excluding pension reserves, plus unrestricted funds) is £1,581,525 at 31 August 2018. The fixed assets reserves total £13,664,119 of which £149,591 is Devolved Formula Capital funding in reserve for future capital projects.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

Reserves policy

The Trustees have reviewed the reserves of the Trust. This review encompasses the nature of income and expenditure streams, the need to match them with commitments, the future cost of possible redundancies and the nature of reserves.

The £1,581,525 of restricted and unrestricted reserves is only 11% of the income from 2017-2018. This will cover:

- higher costs due to lagged funding for increasing pupil numbers at some academies;
- higher staffing costs during the remainder of a three year period of pay protection following staff restructuring at Magnus;
- the cost of any redundancies that may arise as a result of any future restructure;
- unsustainable staff costs prior to anticipated natural wastage;
- a contribution to a proposed capital expansion project at one of the primary academies;
- growing central MAT staffing to build capacity as the SNMAT grows.

The Trustees have reviewed the policy on the level of reserves that should be held at Central MAT level. It was agreed that in 2016-2017 that the level of centrally held reserves should be sufficient to cover 4 months of central operating expenses, a £50,000 allowance to enable the central MAT to assist any academy in difficulties and another £50,000 allowance to support MAT growth. It was resolved that an efficiency rebate of 1% of the General Annual Grant income should be provided to supporting academies from the surplus exceeding the agreed level of reserves, thereby reducing the recharge for supporting academies to 4%.

The Trustees keep the level of reserves under review and it has been agreed that in future the supporting academies will be recharged 4% of the GAG, instead of being given a rebate at the end of the year. Supported and Sponsored academies will continue to be recharged 5% to cover their enhanced package of support. In 2018-2019 the Trust will aim to retain centrally held reserves to cover 3 months of central operating expenses plus a £50,000 allowance to enable the central MAT to assist any academy in difficulties and another £50,000 allowance to support MAT growth.

Investment policy

The MAT does not hold any long term investments. Any cash surpluses remain within the academy's bank accounts to ensure an even cash flow across the year. The Business Director will be in discussion with the bank's Business Relationship Manager regarding opportunities for obtaining a higher level of interest in 2018-2019.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

Principal risks and uncertainties

The Trustees have assessed the major risks to which the academies in the MAT are exposed, in particular those related to the operations and finances, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

The MAT's exposure to financial risks is minimal, due to the fact that the financial instruments dealt with are largely bank balances, cash and trade creditors, with limited trade and other debtors. There is a deficit within the Local Government Pension Scheme, as described in note 30 to the financial statements but this is subject to periodic actuarial review and regulatory monitoring by Trustees.

There are two principle risks and uncertainties relating to the MAT.

The future level of funding of education is uncertain in the current economic climate. This is mainly outside the control of the Trustees, but they engage with the Department for Education when opportunities arise. The Trustees also set prudent budgets and review staffing structures and curriculum models to ensure the Academies within the Trust are reactive to the changing funding levels. The models suggest that the introduction of the National Funding Formula from 2018-2019 will benefit Magnus by 8.1% when fully implemented from 2020-2021.

The finances of the Trust are highly sensitive to pupil numbers, particularly the number of students at Magnus C of E Academy. These numbers have been heavily influenced by the increased competition risk from the successful application from Nova Education Trust to open a free school in Newark and its appointment as the new sponsor of The Newark Academy. However, pupil numbers have started to increase in September 2018 following the appointment of the new Principal in 2016, a positive HMI visit and increased attainment in 2017. Pupil numbers at most of the primary academies are healthy, though there was an initial dip in numbers at William Gladstone. However, the smallest of the primary schools in the Trust, Burntstump Seely and St Swithun's, are also highly sensitive to pupil numbers on roll.

Fundraising

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

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

Plans for future periods

Future developments

Current changes in the educational landscape, which are driven by government policy, make predicting the future difficult and future plans a challenge. However, the core business of improving teaching and learning will remain a constant and financial and institutional planning will remain firmly in focus for the coming year. There are plans to continue to grow the Multi Academy Trust in 2018-2019. Another primary school has already obtained its academy order and was expected to join the Trust on 1 January 2019, though this conversion has been delayed due to land transfer issues. A secondary Single Academy Trust joined the Multi Academy Trust on 1 December 2018. The ultimate aim is for all academies in the MAT to be well-led and for all academies to become organisations that can drive their own continual improvement.

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

TRUSTEES' REPORT (continued) **FOR THE YEAR ENDED 31 AUGUST 2018**

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	9,843	
Total pay bill	9,666,463	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
---	---	---

Disclosure of information to auditor

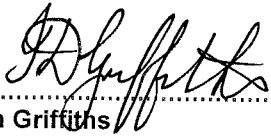
Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Auditor

The auditor, Mazars LLP, has indicated its willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

The Trustees' Report was approved by order of the board of trustees, as the company directors, on 11/12/2018 and signed on its behalf by:



Ian Griffiths
 Vice-Chair of Trustees

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive 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 Diocese of Southwell and Nottingham Multi-Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Roger Periam	3	5
Ian Griffiths	4	5
Hilary Craik	3	5
Philip Blinston	3	5
Angela Pae	4	5
Claire Meese	4	5
Diane Ward	1	2
Chris Moodie	4	5
John Hunter	2	4

A new Director, John Hunter, was appointed during the year. Work on establishing effective governance arrangements at local board level is continuing with the Trust's Rethinking Governance project in line with the MAT's scheme of delegation. The structure for termly agendas is in place, key link governor roles are defined along with protocols for governor visits and a framework for Governor Accountability panels have been set up. Governance has been very much a focus during 2017-2018 and will continue to be during 2019-2020.

The finance committee is a sub committee of the main board of trustees. Its purpose is to propose the annual budget, to act as audit committee, to review actual performance throughout the year in financial matters, review the effectiveness of financial internal controls through the Internal Auditor's reporting systems, advise the trustees on the appropriateness, or otherwise, of spending requests outside the delegated powers given to them and monitor and keep under review the needs and requirements of the MAT in relation to competitive tendering.

The Finance Committee met 6 times during the period.

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

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Committee Member	Meetings attended	Out of a possible
Roger Periam	2	6
Ian Griffiths	5	6
Chris Moodie	4	6
John Hunter	4	4
Sarah Perry	6	6
Angela Pae	5	3

The Board also has a Standards Committee, which concentrates on reviewing school improvement, teaching and learning data and safeguarding. The Standards Committee met 3 times during the year.

Attendance at meetings in the year was as follows:

Committee Member	Meetings attended	Out of a possible
Hilary Craik	2	3
Chris Moodie	3	3
Claire Meese	3	3
Samantha Dennis	2	3
Philip Blinston	3	3

Review of Value for Money

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

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

- ensuring that the level of service provided by suppliers is of a satisfactory standard. During 2017-2018 the Central Trust conducted a procurement exercise to find a payroll provider that would meet its needs now it has grown to 10 academies. The Trust was looking for a service that would provide a HR database facility linked to the payroll provision together, auto-generated letters and contracts and good value for money.
- ensuring that school improvement solutions are appropriate and fit for purpose and, where possible brokered on a reciprocal school to school basis that reduces the cost and provides more effective solutions for the academies as for example one of the Headteachers has become Executive Head across two of the academies in the Trust and the school which is due to convert and join SNMAT in 2018-2019.
- ensuring that the staffing levels at the academies are appropriate in relation to the pupil numbers on roll. Integrated Curriculum Financial Planning is in place at the secondary academy and it is proposed to introduce this to the primary academies during 2018-2019.
- Ensuring the some supplies and services are procured centrally giving economies of scale in terms of costs. An example in 2017-2018 is the procurement of Scholarpack as the management information system for the primary academies.

As other academies join the MAT and it grows in size it will become eligible for greater economies of scale for the purchase of some goods and services.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Diocese of Southwell and Nottingham Multi-Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Mazars LLP, the external auditor, to perform additional checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- a focused programme of internal control testing, based on the "Responsible Officer" testing programmes from the 2006 Academies Financial Handbook, at each of the academies in the trust

On an annual basis, the external auditor reports to the board of trustees through the finance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Mazars LLP has delivered their schedule of work as planned. A weakness in the systems and controls in respect of not always entering orders on the financial management system at the time of ordering and a few housekeeping recommendations were made. Every effort is being made to ensure that goods and services are not paid for by non-order invoices and the housekeeping issues have now been addressed. The Trust now proposes to move to a single bank account and centralised invoicing in order to increase control now that Trust has grown.

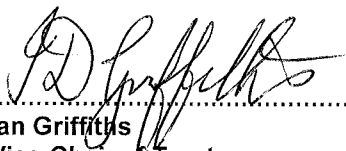
Review of Effectiveness

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

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

Approved by order of the members of the board of trustees on 11/12/2017 and signed on their behalf, by:


.....
Ian Griffiths
Vice-Chair of Trustees


.....
Chris Moodie
Accounting Officer

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

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Diocese of Southwell and Nottingham Multi-Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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 2017.

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

.....
Chris Moodie
Accounting Officer

 11/12/2018

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2018

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

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

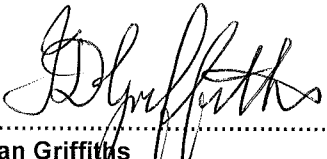
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on *11.12.2018* and signed on its behalf by:


.....
Ian Griffiths
Vice-Chair of Trustees

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of Diocese of Southwell and Nottingham Multi-Academy Trust (the 'trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2018 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 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company'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 Trustee's Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report including the incorporated strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement set out on page 21, the Trustees (who are directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

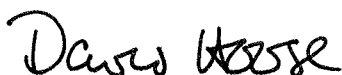
Auditor's responsibilities for the audit of the financial statements

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

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

Use of the audit report

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



David Hoose (Senior Statutory Auditor)

for and on behalf of

Mazars LLP

Chartered Accountants
Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: 13/12/18

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

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

In accordance with the terms of our engagement letter dated 11 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Diocese of Southwell and Nottingham Multi-Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Diocese of Southwell and Nottingham Multi-Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Diocese of Southwell and Nottingham Multi-Academy Trust and 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 Diocese of Southwell and Nottingham Multi-Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Diocese of Southwell and Nottingham Multi-Academy Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Diocese of Southwell and Nottingham Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 29 January 2014, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 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 Trust's income and expenditure.

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

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

A summary of the work we have undertaken is as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out sample testing on controls;
- Carried out substantive testing including analytical review; and
- Concluded on procedures carried out.

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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mazars LLP

Mazars LLP

Chartered Accountants
Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: *13/12/18*

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:						
Donations and capital grants	2	212,795	(830,000)	(305,849)	(923,054)	2,485,519
Charitable activities	3	-	13,198,352	-	13,198,352	11,792,253
Other trading activities	4	515,884	173,034	-	688,918	719,347
Investments	5	1,256	-	-	1,256	1,185
Total income		729,935	12,541,386	(305,849)	12,965,472	14,998,304
Expenditure on:						
Charitable activities	6	365,620	14,146,588	414,717	14,926,925	13,140,463
Total expenditure		365,620	14,146,588	414,717	14,926,925	13,140,463
Net income / (expenditure) before transfers		364,315	(1,605,202)	(720,566)	(1,961,453)	1,857,841
Transfers between Funds	17	-	(63,508)	63,508	-	-
Net income / (expenditure) before other recognised gains and losses		364,315	(1,668,710)	(657,058)	(1,961,453)	1,857,841
Actuarial gains on defined benefit pension schemes	22	-	1,729,000	-	1,729,000	197,000
Net movement in funds		364,315	60,290	(657,058)	(232,453)	2,054,841
Reconciliation of funds:						
Total funds brought forward		857,886	(5,592,966)	14,321,177	9,586,097	7,531,256
Total funds carried forward		1,222,201	(5,532,676)	13,664,119	9,353,644	9,586,097

The notes on pages 30 to 55 form part of these financial statements.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

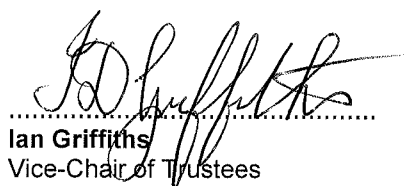
Registered number: 08738949

(A Company Limited by Guarantee)

BALANCE SHEET AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	13		13,514,528		14,199,347
Current assets					
Stocks	14	-		12,373	
Debtors	15	403,927		258,955	
Cash at bank and in hand	20	2,313,827		1,966,453	
			<u>2,717,754</u>	<u>2,237,781</u>	
Creditors: amounts falling due within one year	16	(986,638)		(966,031)	
Net current assets			<u>1,731,116</u>		<u>1,271,750</u>
Total assets less current liabilities			<u>15,245,644</u>		<u>15,471,097</u>
Defined benefit pension scheme liability	22	(5,892,000)		(5,885,000)	
Net assets including pension scheme liabilities			<u><u>9,353,644</u></u>		<u><u>9,586,097</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	17	359,324		292,034	
Restricted fixed asset funds	17	13,664,119		14,321,177	
Restricted income funds excluding pension liability		14,023,443		14,613,211	
Pension reserve	22	(5,892,000)		(5,885,000)	
Total restricted income funds			<u>8,131,443</u>		<u>8,728,211</u>
Unrestricted income funds	17		<u>1,222,201</u>		<u>857,886</u>
Total funds			<u><u>9,353,644</u></u>		<u><u>9,586,097</u></u>

The financial statements on pages 27 to 55 were approved by the Trustees, and authorised for issue, on 11/12/2018 and are signed on their behalf, by:


.....
Ian Griffiths
Vice-Chair of Trustees

The notes on pages 30 to 55 form part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	19	286,935	486,039
Cash flows from investing activities:			
Interest received	5	1,256	1,185
Purchase of tangible fixed assets	13	(284,898)	(114,163)
Capital grants from DfE Group		212,105	74,117
Cash transferred on conversion to an academy trust		131,976	191,451
Net cash provided by investing activities		60,439	152,590
Change in cash and cash equivalents in the year		347,374	638,629
Cash and cash equivalents brought forward		1,966,453	1,327,824
Cash and cash equivalents carried forward	20	2,313,827	1,966,453

The notes on pages 30 to 55 form part of these financial statements.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Diocese of Southwell and Nottingham Multi-Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

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

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

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

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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

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

1.4 Expenditure

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

Charitable Activities

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

All resources expended is inclusive of irrecoverable VAT.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

1.5 Tangible fixed assets and depreciation

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

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

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

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

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

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

1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.7 Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

1.8 Leased assets

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

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

1.10 Taxation

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

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.12 Fund accounting

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

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

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

1.13 Conversion to an academy

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from the predecessor school to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

The valuation of land and buildings donated on conversion is on a provisional basis, as final valuations are not yet available at the time of preparing these financial statements. Valuation updates will be included, if appropriate, in 2019.

Further details of the transaction are set out in note 26.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

1.14 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions

The academy trust 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 22, 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.

Critical areas of judgment:

The Trustees consider that there are no critical areas of judgment with the exception of the pension valuation noted above.

2. Donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Transfer from local authority on conversion	131,976	(830,000)	(555,000)	(1,253,024)	2,346,451
Capital grants	-	-	212,105	212,105	74,117
Other donations	80,819	-	37,046	117,865	64,951
	<u>212,795</u>	<u>(830,000)</u>	<u>(305,849)</u>	<u>(923,054)</u>	<u>2,485,519</u>
Total 2017	<u>256,402</u>	<u>(2,269,000)</u>	<u>4,498,117</u>	<u>2,485,519</u>	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

3. Funding for Academy Trust's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	10,993,340	10,993,340	9,903,044
Start Up Grant	-	40,290	40,290	63,939
Other DfE/ESFA Group grants	-	1,413,946	1,413,946	1,221,445
	-	12,447,576	12,447,576	11,188,428
Other government grants				
Local authority grants	-	750,776	750,776	603,825
	-	750,776	750,776	603,825
	-	13,198,352	13,198,352	11,792,253
Total 2017	-	11,792,253	11,792,253	

4. Other trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	99,713	-	99,713	88,893
Sale of goods	12,199	-	12,199	17,611
Catering income	180,669	-	180,669	280,336
Academy trips	-	106,227	106,227	113,226
Other income	223,303	66,807	290,110	219,281
	515,884	173,034	688,918	719,347
Total 2017	606,121	113,226	719,347	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

5. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	1,256	-	1,256	1,185
Total 2017	1,185	-	1,185	

6. Expenditure

	Staff costs £	Premises £	Other costs £	Total 2018 £	Total 2017 £
Academy's educational operations					
- Direct costs	9,456,144	-	1,093,075	10,549,219	9,584,263
- Allocated support costs	2,135,724	870,161	1,339,757	4,345,642	3,556,200
	<u>11,591,868</u>	<u>870,161</u>	<u>2,432,832</u>	<u>14,894,861</u>	<u>13,140,463</u>

7. Charitable activities

	Total 2018 £	Total 2017 £
Direct costs - educational operations	10,549,219	9,584,263
Support costs - educational operations	4,345,642	3,556,200
Total	<u>14,894,861</u>	<u>13,140,463</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

Analysis of support costs

	Total 2018 £	Total 2017 £
Support staff costs	2,135,724	1,206,594
Depreciation	414,717	389,051
Premises costs	618,399	652,359
Other support costs	986,270	1,128,002
Governance costs	190,532	180,194
Total	4,345,642	3,556,200

In 2017, of the total expenditure, £218,186 was to unrestricted funds and £12,922,277 was to restricted funds.

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

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	414,717	389,051
Auditor's remuneration - audit	21,850	21,200
Auditor's remuneration - other services	16,500	12,430
Operating lease rentals	45,553	47,177

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

9. Staff costs

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	8,196,296	7,278,550
Social security costs	769,822	669,603
Operating costs of defined benefit pension schemes	2,217,963	1,749,997
	<u>11,184,081</u>	<u>9,698,150</u>
Agency supply costs	316,768	306,491
Staff restructuring costs	91,019	50,553
	<u><u>11,591,868</u></u>	<u><u>10,055,194</u></u>

Staff restructuring costs comprise:

	2018 £	2017 £
Redundancy payments	64,171	20,921
Severance payments	24,848	29,632
	<u>89,019</u>	<u>50,553</u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	118	118
Administration and support	256	225
Management	29	22
	<u>403</u>	<u>365</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	4	3
In the band £70,001 - £80,000	1	2
In the band £90,001 - £100,000	1	1

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

9. Staff costs (continued)

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their service to the academy trust was £847,056 (2017: £843,578).

10. Central services

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

- human resources;
- financial services;
- legal services;
- educational support services;
- health and safety;
- facilities management support; and
- contributions to the TU facilities fund.

The Academy Trust charges for these services on the following basis:

Historically Magnus was paying 3.5% as some of the central functions were being covered internally. This is changed from 1 September 2017 with the relocation of two of the former Magnus staff to the central office. Over the next two years the level of recharge for Magnus will be brought into line with the other academies in the MAT in stages. The other academies in the MAT contributed 5% of the GAG income not including Pupil Premium. The Board of Directors introduced an efficiency rebate for supported and supporting academies during 2017/18. The Central MAT refunded an agreed percentage of the recharge depending if the level of reserves held by the centre are over and above the agreed central reserves policy. The central reserves policy is that there should be sufficient to cover at least 4 months operating expenses plus £50,000 for MAT growth plus £50,000 to be able to support an academy in difficulty and some leeway to even out peaks and troughs between years. In 2017-2018 it was agreed that the efficiency rebate would be 1% for supported and supporting academies. From 1 September 2018 the recharge has been reduced to 4% and the rebate will no longer be applied.

The actual amounts charged during the year were as follows:

	2018 £	2017 £
Magnus Church of England Academy	163,999	129,919
Harworth Church of England Academy	30,099	29,938
St. Mary Magdalene Church of England Academy	30,878	31,223
St. John's Church of England Academy	58,498	58,025
St Peter's Crosskeys Church of England Academy	28,431	29,163
Worksop Priory Church of England Academy	34,405	33,109
Burntstump Seely Church of England Academy	21,501	17,977
The William Gladstone Church of England Academy	65,722	43,568
St Peters C of E Primary Academy Mansfield	41,252	-
St Swithun's C of E Primary Academy	10,530	-
	<u>485,315</u>	<u>372,922</u>

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

11. Related Party Transactions - Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other 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:

		2018 £'000	2017 £'000
C Moodie	Remuneration	95-100	95-100
	Pension contributions paid	15-20	15-20

During the year, travel and subsistence expenses totalling £1,855 and gift expenses of £Nil were reimbursed to 1 Trustee (2017: 1 trustee £3,769 and £Nil respectively).

12. Trustees' and Officers' Insurance

The Multi Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £5,000,000. It is not possible to quantify the Trustees' and Officers' indemnity element from the overall cost of the RPA scheme.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

13. Tangible fixed assets

	Leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Assets under construction £	Total £
Cost						
At 1 September 2017	14,547,689	26,215	464,789	410,949	-	15,449,642
Additions	43,830	-	36,228	66,756	138,084	284,898
Provisional value of assets donated on conversion	(555,000)	-	-	-	-	(555,000)
Transfer between classes	100,280	-	(100,280)	-	-	-
At 31 August 2018	14,136,799	26,215	400,737	477,705	138,084	15,179,540
Depreciation						
At 1 September 2017	644,777	11,797	257,502	336,219	-	1,250,295
Charge for the year	283,825	5,243	76,857	48,792	-	414,717
Transfer between classes	22,644	-	(22,644)	-	-	-
At 31 August 2018	951,246	17,040	311,715	385,011	-	1,665,012
Net book value						
At 31 August 2018	13,185,553	9,175	89,022	92,694	138,084	13,514,528
At 31 August 2017	13,902,912	14,418	207,287	74,730	-	14,199,347

Included within land and buildings is leasehold land at valuation of £3,305,962 (2017 - £2,386,962).

14. Stocks

	2018 £	2017 £
Finished goods and goods for resale	-	12,373

15. Debtors

	2018 £	2017 £
Trade debtors	21,986	2,689
VAT recoverable	58,749	19,276
Other debtors	225,221	159,235
Prepayments and accrued income	97,971	77,755
	403,927	258,955

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

16. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	119,744	71,492
Other taxation and social security	193,496	175,516
Other creditors	59,136	280,991
Accruals and deferred income	614,262	438,032
	<u>986,638</u>	<u>966,031</u>
	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	434,785	382,496
Resources deferred during the year	609,603	434,785
Amounts released from previous years	(434,785)	(382,496)
	<u>609,603</u>	<u>434,785</u>

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

- £39,425 Conversion Grants
- £70,011 Sponsor Grants
- £27,991 Sponsor Capacity Grant
- £75,209 MAT Development and Improvement Fund
- £8,383 Primary Academies Chain Grant
- £163,534 Universal Infant School Meals
- £30,539 Rates Relief
- £71,155 SEN Funding
- £28,317 Primary Growth Fund Grant
- £44,078 CIF Capital Grant
- £7,013 Primary Sports Grant
- £725 Rowing Grant
- £7,816 Ambitions Leadership Grant
- £6,260 CCF Grant
- £3,313 Duke of Edinburgh Grant
- £12,324 Trip Income
- £1,257 Prom Income
- £599 Charity Income
- £5,131 Primary Music Project Income
- £1,950 Maple Behavioural Music Income
- £3,813 School Fund Income
- £760 After School Club Income

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

17. Statement of funds

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

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

- Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Governors;
- Restricted funds (excluding pension and other restricted reserves) represent funds received from the Department for Education and is specifically spent on the running of the academy;
- Pension reserve represents the movements on the Local Government Pension Scheme liability;
- Other restricted reserve represents funds which are restricted by the donor including school trip income;
- Restricted fixed asset funds represent resources which are applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

17. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Magnus C of E Academy	320,881	217,717
Harworth C of E Academy	100,500	34,945
St Mary Magdalene C of E Primary School	117,533	44,871
St John's C of E Academy	300,587	228,136
St Peters Crosskeys C of E Academy	148,919	118,828
Worksop Priory C of E Primary Academy	136,051	109,350
Burntstump Seely C of E Primary Academy	41,875	46,908
The William Gladstone C of E Primary Academy	(26,243)	82,693
St Peters C of E Primary Academy Mansfield	125,063	-
St Swithun's C of E Primary Academy	41,680	-
Central MAT	274,679	266,472
Total before fixed asset fund and pension reserve	1,581,525	1,149,920
Restricted fixed asset fund	13,664,119	14,321,177
Pension reserve	(5,892,000)	(5,885,000)
Total	9,353,644	9,586,097

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

Name of academy	Amount of deficit £
The William Gladstone C of E Primary Academy	26,243

The William Gladstone C of E Primary Academy is carrying a net deficit due to significant staffing turbulence during 2017-2018 including an administrative staff restructure.

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

Additional expenditure has been planned during 2018-2019 in order to address the legacy of underachievement and poor quality teaching in order to ensure accelerated progress across the school. With the appointment of a new Headteacher from December 2018 it is expected that the deficit will be recoverable by the end of 2019-2020.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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 depreciat- ion £	Total 2018 £	Total 2017 £
Magnus C of E Academy	3,019,193	409,140	331,240	408,428	4,168,001	4,788,937
Harworth C of E Academy	619,017	60,384	74,144	72,523	826,068	857,921
St Mary Magdalene C of E Primary School	542,865	60,976	112,745	87,413	803,999	879,749
St John's C of E Academy	1,156,682	117,874	261,089	141,131	1,676,776	1,595,550
St Peters Crosskeys C of E Academy	579,341	56,257	96,866	124,955	857,419	848,859
Worksop Priory C of E Primary Academy	915,335	64,625	102,577	57,253	1,139,790	1,124,543
Burntstump Seely C of E Primary Academy	322,420	30,313	58,594	75,871	487,198	475,414
The William Gladstone C of E Primary Academy	1,256,279	123,626	258,902	150,562	1,789,369	1,071,648
St Peters C of E Primary Academy Mansfield	701,707	78,334	131,549	73,221	984,811	-
St Swithun's C of E Primary Academy	187,358	26,937	19,270	14,503	248,068	-
Central MAT	155,947	201,258	32,107	235,394	624,706	486,791
	<u>9,456,144</u>	<u>1,229,724</u>	<u>1,479,083</u>	<u>1,441,254</u>	<u>13,606,205</u>	<u>12,129,412</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
General funds	212,364	863,708	(218,186)	-	-	857,886
Restricted funds						
General Annual Grant (GAG)	340,244	9,903,044	(9,908,791)	(42,463)	-	292,034
Start up grant	-	63,939	(63,939)	-	-	-
Pupil Premium	-	758,225	(758,225)	-	-	-
Other grants	-	1,180,271	(1,180,271)	-	-	-
Pension reserve	(3,191,000)	(2,269,000)	(622,000)	-	197,000	(5,885,000)
	(2,850,756)	9,636,479	(12,533,226)	(42,463)	197,000	(5,592,966)
Restricted fixed asset funds						
Devolved Formula Capital	153,146	74,117	(5,831)	-	-	221,432
Donations	9,647,266	4,424,000	(361,029)	63,354	-	13,773,591
Other DfE Capital Grant	369,236	-	(22,191)	(20,891)	-	326,154
	10,169,648	4,498,117	(389,051)	42,463	-	14,321,177
Total restricted funds	7,318,892	14,134,596	(12,922,277)	-	197,000	8,728,211
Total of funds	7,531,256	14,998,304	(13,140,463)	-	197,000	9,586,097

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General funds	212,364	1,593,643	(583,806)	-	-	1,222,201
Restricted funds						
General Annual Grant (GAG)	340,244	20,896,384	(20,758,762)	(118,542)	-	359,324
Start up grant	-	104,229	(104,229)	-	-	-
Pupil Premium	-	1,587,928	(1,587,928)	-	-	-
Other grants	-	2,688,324	(2,700,895)	12,571	-	-
Pension reserve	(3,191,000)	(3,099,000)	(1,528,000)	-	1,926,000	(5,892,000)
	<u>(2,850,756)</u>	<u>22,177,865</u>	<u>(26,679,814)</u>	<u>(105,971)</u>	<u>1,926,000</u>	<u>(5,532,676)</u>
Restricted fixed asset funds						
Devolved Formula Capital	153,146	148,140	(5,831)	(12,571)	-	282,884
Donations	9,647,266	3,906,046	(775,746)	63,354	-	12,840,920
Other DfE Capital Grant	369,236	138,082	(22,191)	55,188	-	540,315
	<u>10,169,648</u>	<u>4,192,268</u>	<u>(803,768)</u>	<u>105,971</u>	<u>-</u>	<u>13,664,119</u>
	<u>7,318,892</u>	<u>26,370,133</u>	<u>(27,483,582)</u>	<u>-</u>	<u>1,926,000</u>	<u>8,131,443</u>
Total of funds	<u><u>7,531,256</u></u>	<u><u>27,963,776</u></u>	<u><u>(28,067,388)</u></u>	<u><u>-</u></u>	<u><u>1,926,000</u></u>	<u><u>9,353,644</u></u>

18. Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	13,514,528	13,514,528
Current assets	1,222,201	1,345,962	149,591	2,717,754
Current liabilities	-	(986,638)	-	(986,638)
Pension scheme liability	-	(5,892,000)	-	(5,892,000)
	<u>1,222,201</u>	<u>(5,532,676)</u>	<u>13,664,119</u>	<u>9,353,644</u>

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2017 £	2017 £	2017 £	2017 £
Tangible fixed assets	-	-	14,199,347	14,199,347
Current assets	857,886	1,258,065	121,830	2,237,781
Creditors due within one year	-	(966,031)	-	(966,031)
Provisions for liabilities and charges	-	(5,885,000)	-	(5,885,000)
	<u>857,886</u>	<u>(5,592,966)</u>	<u>14,321,177</u>	<u>9,586,097</u>

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(1,961,453)	1,857,841
Adjustment for:		
Depreciation (note 13)	414,717	389,051
Interest received	(1,256)	(1,185)
Decrease/(increase) in stocks	12,373	(10,861)
Increase in debtors	(144,972)	(79,060)
Increase in creditors	20,607	128,821
Capital grants from DfE and other capital income	(212,105)	(74,117)
FRS 102 pension obligation inherited	830,000	2,269,000
FRS 102 pension costs	906,000	622,000
Surplus on conversion	(131,976)	(191,451)
Donated assets	555,000	(4,424,000)
Net cash provided by operating activities	<u>286,935</u>	<u>486,039</u>

20. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	2,313,827	1,966,453
Total	<u>2,313,827</u>	<u>1,966,453</u>

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

21. 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.

22. Pension commitments

The Academy Trust'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 Barnett Waddingham. Both are Multi-Employer Defined Benefit Pension Schemes.

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

Contributions amounting to £Nil were payable to the schemes at 31 August 2018 (2017 - £147,355) and are included within creditors.

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.

Valuation of the Teachers' Pension Scheme

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

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

22. Pension commitments (continued)

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 April 2019.

The employer's pension costs paid to TPS in the period amounted to £791,000 (2017 - £733,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £682,000 (2017 - £524,000), of which employer's contributions totalled £513,000 (2017 - £395,000) and employees' contributions totalled £169,000 (2017 - £129,000). The agreed contribution rates for future years are 18.3% for employers and up to 12.5% 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.

On 26 October 2018, the High Court handed down a judgement involving the Lloyds Banking Group's defined benefit pension schemes. The judgement concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits, ('GMP'). The Government will need to consider this outcome in conjunction with the Government's recent consultation on GMP indexation in public sector schemes before concluding on any changes required to LGPS schemes.

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.70 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %

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

	2018	2017
Retiring today		
Males	22.7	22.6
Females	25.6	25.5
Retiring in 20 years		
Males	24.9	24.8
Females	28.0	27.9

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

22. Pension commitments (continued)

Sensitivity analysis	At 31 August 2018 £	At 31 August 2017 £
Discount rate +0.1%	(341,000)	(297,000)
Discount rate -0.1%	354,000	305,000
Mortality assumption - 1 year increase	394,000	344,000
Mortality assumption - 1 year decrease	(382,000)	(332,000)
CPI rate +0.1%	304,000	260,000
CPI rate -0.1%	(205,000)	(253,000)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	3,980,000	3,044,000
Debt instruments	649,000	554,000
Property	854,000	538,000
Gilts	172,000	145,000
Others incl. cash	531,000	322,000
Total market value of assets	6,186,000	4,603,000

The actual return on scheme assets was £347,000 (2017 - £549,000).

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

	2018 £	2017 £
Current service cost (net of employer contributions)	(1,241,000)	(903,000)
Admin expenses	(1,000)	-
Interest income	139,000	88,000
Interest cost	(298,000)	(202,000)
Past service cost	(18,000)	-
Total	(1,419,000)	(1,017,000)

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

22. Pension commitments (continued)

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

	2018 £	2017 £
Opening defined benefit obligation	10,488,000	5,634,000
Upon conversion	1,470,000	3,674,000
Current service cost	1,241,000	903,000
Interest cost	298,000	202,000
Employee contributions	169,000	129,000
Actuarial gains	(1,521,000)	(16,000)
Past service costs	18,000	-
Benefits paid	(85,000)	(38,000)
	<u>12,078,000</u>	<u>10,488,000</u>
Closing defined benefit obligation	<u>12,078,000</u>	<u>10,488,000</u>

Changes in fair value of academy's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	4,603,000	2,443,000
Upon conversion	640,000	1,405,000
Interest income	139,000	88,000
Actuarial losses	208,000	181,000
Employer contributions	513,000	395,000
Employee contributions	169,000	129,000
Benefits paid	(85,000)	(38,000)
Administrative expenses	(1,000)	-
	<u>6,186,000</u>	<u>4,603,000</u>
Closing fair value of scheme assets	<u>6,186,000</u>	<u>4,603,000</u>

23. Operating lease commitments

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	38,661	48,643
Between 1 and 5 years	84,722	94,071
	<u>123,383</u>	<u>142,714</u>
Total	<u>123,383</u>	<u>142,714</u>

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

24. Related party transactions

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

The staff trustee only receives remuneration in respect of services they provide undertaking the roles of CEO under their contract of employment.

25. Events after the end of the reporting period

On 1 December 2018, The Samworth Church Academy joined the Diocese of Southwell and Nottingham Multi-Academy Trust.

26. Conversion to an academy trust

On 1 November 2017 St Peter's Church of England Academy Mansfield converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Diocese of Southwell and Nottingham Multi-Academy Trust from Nottinghamshire County Council for £Nil consideration.

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

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	-	206,000	206,000
Budget surplus on LA funds	91,903	-	-	91,903
LGPS pension deficit	-	(473,000)	-	(473,000)
Net assets/(liabilities)	91,903	(473,000)	206,000	(175,097)

The above net assets include £91,903 that were transferred as cash.

DIOCESE OF SOUTHWELL AND NOTTINGHAM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

26. Conversion to an academy trust (continued)

On 1 November 2017 St Swithun's Church of England Primary Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Diocese of Southwell and Nottingham Multi-Academy Trust from Nottinghamshire County Council for £Nil consideration.

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

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	-	340,000	340,000
Budget surplus on LA funds	40,073	-	-	40,073
LGPS pension deficit	-	(357,000)	-	(357,000)
Net assets/(liabilities)	40,073	(357,000)	340,000	23,073

The above net assets include £40,073 that were transferred as cash.