

---

**DURRINGTON MULTI ACADEMY TRUST**

(A company limited by guarantee)

---

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**DURRINGTON MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

---

---

**CONTENTS**

---

	Page
<b>Reference and administrative details</b>	<b>1 - 2</b>
<b>Trustees' report</b>	<b>3 - 8</b>
<b>Governance statement</b>	<b>9 - 12</b>
<b>Statement on regularity, propriety and compliance</b>	<b>13</b>
<b>Statement of Trustees' responsibilities</b>	<b>14</b>
<b>Independent auditors' report on the financial statements</b>	<b>15 - 17</b>
<b>Independent reporting accountant's assurance report on regularity</b>	<b>18 - 19</b>
<b>Statement of financial activities incorporating income and expenditure account</b>	<b>20</b>
<b>Balance sheet</b>	<b>21</b>
<b>Statement of cash flows</b>	<b>22</b>
<b>Notes to the financial statements</b>	<b>23 - 43</b>

---

**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)

---

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

**Members**

Mr R Barraclough  
Mr A Watts  
University of Brighton

**Trustees**

Mrs L Allison (appointed 28 February 2017)  
Mr J Digby, Chair (appointed 28 February 2017)  
Mrs D Kearney (resigned 18 July 2017)  
Ms S Marooney  
Mr P Noakes  
Ms N Thomas (appointed 21 November 2017)

Local governing body:

Dr B Marsh(1) – Chair  
Mr R Barraclough (1) – Vice chair  
Ms G Christie-Firth (2)  
Ms S Dedman (2)  
Ms J Lee (3)  
Ms V Ludlow (1)  
Ms S Marooney (1,2)  
Mr P Noakes (1,3)  
Mr M Pailthorpe (3)  
Mr S Payne  
Mr R Rogers

(1) Member of the Finance and Audit Committee  
(2) Staff  
(3) Parent

Note:

Mrs D Kearney, previous Chair of Trustees and Chair of Governors unfortunately had to resign due to changes in her personal circumstances.

Mr D Waghorne, a long-standing member of the Governing Body, sadly passed away in June 2017.

**Company registered number**

08895870

**Company name**

Durrington Multi Academy Trust

**Principal and registered office**

Durrington High School  
The Boulevard  
Worthing  
West Sussex  
BN13 1JX

---

**DURRINGTON MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

**Advisers (continued)**

**Company secretary**

Mr N Roberts

**Chief executive officer**

Ms S Marooney

**Senior leadership team**

Ms S Marooney, Headteacher DHS/CEO DMAT  
Mr S Allison, Deputy Headteacher  
Miss J Squires, Deputy Headteacher  
Mr C Woodcock, Deputy Headteacher  
Mrs Bridgeman-Sweeney, Assistant Headteacher / Franklin  
Mr J Fuller, Assistant Headteacher / Hawking  
Mr P Kelly, Assistant Headteacher / Shelley  
Mr J Lamb, Assistant Headteacher / Da Vinci  
Mr N Roberts, Chief Finance Officer (School Business Manager)

**Independent auditors**

Hopper Williams & Bell Limited  
Statutory Auditor  
Highland House  
Mayflower Close  
Chandlers Ford  
Eastleigh  
Hampshire  
SO53 4AR

**Bankers**

Lloyds TSB  
South Street  
Worthing  
West Sussex  
BN11 3AW

**Solicitors**

Browne Jacobson LLP  
Mowbray House  
Castle Meadow  
Nottingham  
NG2 1BJ

---

**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)

---

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust operates as an academy for pupils aged 11 to 16, serving a catchment area in West Sussex. It has a pupil capacity of 1650 and had a roll of 1680 in the school census in January 2017. Numbers reduce by 30 each year until the school settles at 1650 in 2018, due to the school expansion in September 2015 (see achievements and performance below).

### **Structure, governance and management**

#### **Constitution**

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Trustees of Durrington Multi Academy Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as the Durrington Multi Academy Trust.

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**

Trustees' third party indemnity is covered by a policy of insurance with Zurich Municipal Ltd, procured under a government approved framework.

#### **Method of Recruitment and Appointment or Election of Trustees**

Governors are appointed in accordance with the Articles of Association. Parent governor vacancies are filled through advertisement and election whilst staff governor vacancies are notified internally and appointed on the basis of a staff vote. Other governor appointments are addressed through personal recommendation and consideration by the whole governing body followed up, where appropriate, with an interview by senior governors.

---

**DURRINGTON MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**Policies and Procedures Adopted for the Induction and Training of Trustees**

New trustees are given an induction and have a clear role description. Part of the induction is a one hour meeting with the Chair and CEO who go through the main responsibilities and share the vision of the Trust. There is an annual training programme for Trustees which relates to legislation and the skills audit.

**Organisational Structure**

The Governing Body devolves the responsibility of the day to day running of the school to the Headteacher and the Senior Leadership Team. Their activities and decisions are monitored at each Full Governing Body Meeting. The Board of Trustees meet termly and delegate the day to day running of the trust to the CEO who is accountable for school performance and trust development.

The Chief Finance Officer (CFO) prepares the financial data and meets with the Headteacher prior to the Finance Committee meetings, LGB meetings and Trust meetings. The CFO reports on the actual income and expenditure figures for the year to date to the governors and the Trustees as well as the forecast to the end of the financial year for DHS and the trust.

The Headteacher reports to the governing body and the Trustees on any curriculum changes and on targets and achievement.

The Governing Body reviews the Admissions Policy, having regard to the School Admissions Code and the Academy Funding Agreement Annex B. Changes to the Admissions Policy are referred to the Governing Body and Trust for approval.

A Pay Panel receives recommendations, monitors and reviews appraisal and professional development, recruitment, the Pay Policy and other policies which deal with staffing issues. Changes to policies and recommendations for sabbatical leave are referred to the Governing Body for approval.

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

Pay for leadership personnel is set by the Pay Committee. This includes all members of the Senior Leadership Team who have delegated authority for the day to day running of the school

**Related Parties and other Connected Charities and Organisations**

DHS was designated a Research School following a stringent selection process. This will involve setting up links with other schools and being part of the national research network. Funding begins in Autumn 2017 and will be received from the Sutton Trust and Education Endowment Foundation. We are part of e-PD (electronic – Professional Development Partnership) and use this partnership to further educational training for staff. We are linked through our initial teacher training activities with Brighton, Sussex and Chichester University. DHS is a lead partner in the locally based School Centred Initial Teacher Training Centre (SCITT) at Angmering School and we contribute to training and hosting placements. The Headteacher of DHS is a governor on the SCITT. We are supported in our work by the Durrington Fundraisers, a separate charitable group that raises funds for the benefit of pupils' learning and enrichment.

---

**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**Objectives and Activities**

**Objects and Aims**

a) To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the school offering a broad and balanced curriculum; ensuring every child receives their entitlement to high quality education and

b) To promote for the benefit of individuals living in West Sussex and the surrounding area who have need by reason of their age, infirmity, or disability, financial hardship or social and economic circumstances for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

**Objectives, Strategies and Activities**

The main objectives of the year are laid out in the School Improvement Plan for 2016/17 (available on application to the Headteacher).

**Public Benefit**

We confirm that the Governors have paid due regard to the guidance on public benefit in deciding what activities the school should undertake.

**Strategic Report**

**Achievements and performance**

It was a challenging year in many ways. A successful OFSTED in March resulted in the Good judgement being continued. A significant factor in the sustained success of the school is the excellent, experienced leadership with the Headteacher, deputy headteachers and key leaders across the school having been in post for many years. "Your astute and very strong leadership aims to provide high quality education for all pupils regardless of their ability or circumstance. You are determined in your pursuit of excellence, while balancing your achievements with the well-being of staff and pupils" OFSTED 22 March 2017.

Never more so was the leadership team tested, than when one of the SLT took his own life before Easter. The school community was supported through this very difficult time and this is still on-going. As well as support, there was no detriment to the Yr 11.

We are delighted that Durrington, once again, achieved some outstanding results in the summer of 2017. Most notably, given the turbulence in national exam changes our students achieved very well with 53% attaining a grade 5+ in both English and Maths GCSEs (more than 10% above the national average figure). On top of this more students than ever before achieved the very top grades across a wide range of subjects. The disadvantaged (pupil premium) students in year 11 cohort once again showed some very positive outcomes with the gap being less than 5% between their Basics achievement and the national average for all students. In a large number of departmental areas the disadvantaged student attainment at A\*-A/7+ grading and A\*-C/5+ grading surpassed the national average for all students.

---

**DURRINGTON MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**Key Performance Indicators**

The Academy kept within its annual budget approved by the governors and Trustees and retained a contingency to continue to support its projected reduction in Numbers On Roll (NOR) over the next year. Current Pupil Admission Number (PAN) for Yr 11 is 360. As a result of our expansion in 2015 to include a Yr 7, PAN has reduced to 330 Yr 7-10. NOR capacity will reduce next year from 1680 to 1650. The majority of income is derived from GAG with a small income from lettings.

The financial performance indicators for 2016/17 expenditure were:

<b>Budget Heading</b>	<b>% of GAG</b>
Teaching Staff	62.19%
Support Staff	24.34%
Maintenance of Premises	5.00%
Educational Supplies and Services	7.27%
Staff Development, Recruitment and Employee expenses	1.20%

**Going Concern**

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

**Financial review**

The majority of Durrington High School's income is obtained from the Education Funding Agency in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. Other income is derived from school lettings, payments for school trips, donations and by staff at Durrington High School undertaking outreach work supporting other schools, delivering training and applying for grants. The expenditure was used to support the key priorities of Durrington High School, as detailed in the School Improvement Plan, in providing education for pupils and students aged 11 to 16 and enhancing their opportunities. In all financial transactions best value was considered when making decisions.

Due to being asked to expand by West Sussex County Council (WSCC) to accommodate the Age of Transfer change in Worthing and Durrington from September 2015, we received significant investment to both our accommodation and other campus facilities. We continue to invest in our facilities - our roof, which is huge, is now 22 years old and significant remedial works began in 2017 in order to preserve its life expectancy of 50 years+. The first stage of this work was carried out during the summer holidays and 3 areas considered particularly at risk have been repaired. Further work is planned over the next 2 years. In addition, we have identified a window replacement project to replace deteriorating windows on both floors of the Humanities and English wing; the need to drain-down and flush-through the entire school heating system to remove 'cold spot' areas; and to continue to roll-out a LED light replacement project throughout the whole school.

The governors, Senior Leaders and Trustees have a number of ambitious plans over the coming years to further enhance the educational experience of pupils, as well as the projects above. As the roof, windows and heating are such specialist and significant projects, a project manager has been appointed.

- Window replacement project. UPVC windows have deteriorated and replacement opening/closing mechanisms are no longer manufactured. The area contains two floors and the project will cost in excess of £100k.



---

**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

- Roof repairs. Three surveys were carried out, including aerial drone photographs and then the works put out to tender. Works to the most urgent areas requiring repair were completed over summer 2017 to the Art and Technology block, with roof soffits, internal damp membranes and perished rivets being replaced; to the Drama Theatre block (again roof soffits, damp membranes and perished rivets being replaced) and to the front of the English/Humanities wing (soffits). Scaffolding was required for both the Art and Drama repairs.
- Re-development of our outdoor netball and tennis courts. As part of this we will also consider floodlights being added and an extension to the Sports Hall. This would significantly enhance the curriculum and enrichment experience for our students and would better accommodate pupils for the increased number of examinations. If we have floodlights we will be able to add this to our lettings provision. Minimum cost of the project 250k to possible cost of £800k. Match funding schemes will continue to be explored.
- Governors had also been saving for an extension to our Learning Resources Area prior to our expansion. A flexible learning centre with specialised IT facilities would offer a range of curriculum opportunities enabling two classes to be taught at once; part of this would include additional toilet provision and a reception. The toilets would be utilised by students and all of the extension would provide additional lettings opportunities. Cost in the region of 400-600k.
- Due to being designated a Research Centre we carried out some minor internal improvements to re-allocate offices and to create a kitchen and toilet area within the Business Centre for use by the research school.
- Multi Use Games Area (MUGA) resurfacing. We co-own this area with the Special school Oakgrove College co-located on our site. This will need resurfacing in the next 2 years. Costs being sought.

The governors are confident that the Academy Trust is in a sound financial position at the end of the financial year.

### **Reserves Policy**

The principles are that the school aims to use its funding to the full benefit of our current students. At the same time the school has always considered it prudent to maintain an appropriate level of financial reserves, essential in protecting the school from financial risk. Reserves are also maintained for long term capital projects that enhance the educational provision. Our unrestricted funds (total funds less fixed asset and other restricted funds) held at 31 August 2017 was £1,699,055, and this is reasonable to meet the school's objectives. Restricted funds held at 31 August 2017 (excluding restricted pension fund and restricted fixed asset fund) were £1,902,159.

Under Financial Reporting Standard No. 17 "Retirement Benefits" (FRS17) it is necessary to charge projected deficits on the Local Government Pension Scheme that is provided for our Support Staff to a specific restricted reserve. As at 31 August 2017, the deficit on this reserve amounted to £1,769,000. This will result in increased employers' pension contributions over a period of years. We have reflected the effect of increased pension costs in our future budgets. Increased pension contributions will be met from the academy trust's budgeted annual income, and whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund, or direct impact on the free reserves of the academy trust as a result of recognising the deficit.

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The governors are satisfied that systems and procedures are in place to mitigate the exposure to major risks

---

**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**Investment Policy**

The academy aims to invest surplus cash funds to optimise returns, whilst ensuring that the investment instruments are ethical and such that there is low risk to the loss of these cash funds.

**Principal Risks and Uncertainties**

As an Academy funded directly by the Department for Education, funding streams are considered to be reasonably safe and secure. However there are two main risk areas, being changes in Government policy (for example, the reduction and then cancelling of the ESG) the impact of the revised funding formula and funding levels and the risk of falling numbers. There are still surplus secondary places in the Worthing area and this is likely to be the case for at least the next three years.

**Plans for future periods**

The Academy will continue striving to improve the performance of its pupils at all levels and will continue its efforts to ensure all pupils are secure in going on successfully into further education, training or employment on leaving the Academy. We are keen to expand our MAT and are continuing to develop our partnerships with our local primary schools to work on innovative models of delivery and share our expertise and facilities. We are increasingly involved with the strategic leadership and delivery of the Schools Direct Programme with Angmering School, being a key strategic partner in the School Centred Initial Teacher Training (SCITT), and with the Brighton, Sussex and Chichester University programmes. We have been invited to join other teaching school groups and will continue to develop this area of expertise as our capacity allows. During 2016/17 we were appointed as a 'Research School' (1 of only 22 nationally) and we act as a regional hub for the Research Schools Network - we share what we know about putting research into practice and support local primary and secondary schools and colleges in making better use of the huge quantity of educational research available.


A local Primary school, the Laurels, currently part of the New Horizon Trust contacted DMAT in June 2017 and requested to join DMAT. The DfE are fully supportive of this as the relationship between NHAT and Laurels was broken beyond repair. It is anticipated that the Laurels will join DMAT in Spring 2018. This is a great opportunity for DMAT; the key risk is finance as the NHAT allowed the school to achieve £40k in-year losses. KS2 (progress and outcomes) is also a potential risk; DMAT is providing significant leadership, financial and HR support to improve these aspects.

**Auditor**

Insofar as the trustees are aware:

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

The Trustees' report was approved by order of the board of trustees, as the company directors, on 29 November 2017 and signed on its behalf by:



Mr P Noakes  
Trustee

---

**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)

---

---

**GOVERNANCE STATEMENT**

---

**Scope of Responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that Durrington 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 Headteacher, 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 Durrington 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 3 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
Mrs L Allison	2	3
Mr J Digby, Chair	1	3
Mrs D Kearney	3	3
Ms S Marooney	3	3
Mr P Noakes	2	3

Governance reviews:

The Board of Trustees maintains clear sight of the running of the school through their governance and clear reporting from the Local Governing Body (LGB) and CEO. In order to ensure good governance, the Trustees review their membership and the membership of the Governing Body, (including any specialities) at least once per year. During 2016/17, one Governor resigned for personal reasons and was quickly replaced and a broad range of skills was retained. The current specialisms within the Governors includes: Chair of the Finance and Audit Committee (Accountant and Auditor), School Improvement/EYPS/KS1-2 (recently retired Headteacher), School Improvement/Data (current educationalist), School Improvement/Research (Science and Higher Education specialist), Vulnerable and Disadvantaged Students (current educationalist), two Parent Governors and two Staff Governors. This enables the Trustees to maintain close working links with the school and its staff, and to thoroughly review and question the formal termly reports (and other data) submitted by the Headteacher and other Senior Leaders to the Governors at regular intervals.

During the year, all Trustees and Governors have attended annual safeguarding training (held in the school) and attended training sessions on reading and interpreting school data. The school also has membership of the National Governors Association and all Trustees and Governors have on-line access to the training and information packages that the Association has available. This enables the Trustees to fulfil their duties effectively and remain abreast of the current regulations, requirements and responsibilities associated with their role.

---

**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)

---

---

**GOVERNANCE STATEMENT (continued)**

---

The Finance and Audit Committee is a sub-committee of the local governing body and reports to the trustees. Its purpose is to oversee the finances within the framework set by the whole governing body and to receive reports, monitor and make recommendations to all Governors.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Noakes, Chair	6	6
Mrs D Kearney	2	6
Mr R D Barraclough	3	6
Ms V Ludlow	3	6
Ms S K Marooney, Headteacher	6	6

**Review of Value for Money**

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

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

*Outcomes - Improving Educational Results:*

Following the setting of high, aspirational targets, Durrington High School results were the best ever again in 2016/2017. Most notably, given the turbulence in national exam changes our students achieved very well with 53% attaining a grade 5+ in both English and Maths GCSEs (more than 10% above the national average figure). On top of this more students than ever before achieved the very top grades across a wide range of subjects. The disadvantaged (pupil premium) students in year 11 cohort once again showed some very positive outcomes with the gap being less than 5% between their Basics achievement and the national average for all students. In a large number of departmental areas the disadvantaged student attainment at A\*-A/7+ grading and A\*-C/5+ grading surpassed the national average for all students.

*Financial Governance and Oversight:*

The school continues to pursue rigorous financial strategies aimed at ensuring that the best possible outcomes for students are achieved from the funds allocated. The school has a Financial Regulations Policy, which contains the strategies and methods by which financial governance and oversight is achieved. This includes: the Statement on the System of Internal Financial Controls; the Delegation of Financial Powers and Duties of the Governing Body; and the Scheme of Delegation.

*Maximising Income Generation:*

The school maximises resources through a lettings programme, whereby various facilities are rented or 'let' to outside clubs, bodies or agencies, in return for an agreed rental payment, which is approved annually by the Governing Body. Since September 2015, the school took ownership of a new 3G sand-dressed astro-turf hockey pitch, situated on the campus grounds, as part of the Age of Transfer expansion of the school. The school has actively extended the use of this facility through letting it to community during evenings and weekends, including school holiday periods. This has resulted in the school achieving a significant increase in lettings income for 2016/17; from £25,000 in 2015/16 to £35,000. We continue to support Worthing Hockey Club and others by providing reduced fees in order to support our community.

---

**DURRINGTON MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**GOVERNANCE STATEMENT (continued)**

---

*Maximising Cost Savings:*

The school is relentless in its approach to reducing costs and identifying efficiencies. The Scheme of Delegation (Delegation of Financial Powers) details the requirements to obtain 3 quotes before awarding a contract or buying a service. This ensures that the school gains the best possible information on a purchase before committing to it. Existing contracts are never automatically renewed at the renewal date; instead other alternative providers are approached for competitiveness which has resulted on more than one occasion in significant reductions being achieved. One example for this year is how the school has made significant savings on the desktop photocopier contract, which was renewed with the current provider after going out to tender, producing a significant reduction in the price of per-print copying. Another example is the daily comparison by finance staff of the most cost-effective supplier for everyday items of stationery, including exercise books, which tend to be ordered in large numbers and which has saved considerable amounts of money over the year. Benchmarking and spending profiles are used to review spend and to assess likely savings; investment in facilities maintenance allows the school to keep buildings, fittings and furniture in the best possible condition. Investment in maintaining the school at the forefront of teaching technology has resulted in the school continually replacing and updating its IT provision, including classroom teaching aids, classroom hand-held devices and the school Intranet and website.

*Reviewing Controls and Managing Risk:*

A comprehensive Risk Management Policy and Risk Register is maintained by the school and reviewed by the Governors and senior leaders either termly, or whenever a new risk arises or an existing risk changes. Regular Management Accounts are produced and circulated to the Finance Committee of the Governing Body and the Senior Leadership Team, and the Headteacher and Chief Finance Officer (CFO) meet at least weekly to review on-going financial affairs. Bank and credit card statements are reconciled by the Senior Finance Officer (SFO) and counter signed by the Headteacher (Accounting Officer). Payroll monthly reports are checked by the CFO and passed to the Headteacher for approval to be released, prior to being processed for payment by the school's pay agents. Internal school budget holders have monthly budget statements issued to them and have direct access to the SFO and/or CFO whenever they need to review any part of their budget.

*Responsible Officer:*

The school has appointed Carpenter Box LLP (Chartered Accountants) to the position of Responsible Officer, a position that produces a detailed report 3 times a year (one per term). The school works very closely with them to ensure that all procedural responsibilities, including the timely submission of all necessary reports to the Education Funding Agency and the Department for Education, are met and that the school's financial position is accurately reported to the Finance Committee of the Governing Body through the issue of regular Management Accounts.

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Durrington Multi Academy Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the financial statements.

**Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

---

**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)

---

**GOVERNANCE STATEMENT (continued)**

---

**The Risk and Control Framework**

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures 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 and Audit 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. The school appoints third parties as Responsible Officers.

The appointee's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems.

On a termly basis, the appointee reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. RO reports were logged in the minutes of the finance and audit committee meetings. The schedule of work was completed as planned for the financial year.


**Review of Effectiveness**

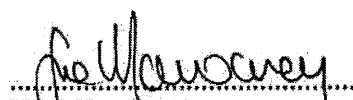
As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Responsible Officer;
- the work of the external auditors;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 29 November 2017 and signed on their behalf, by:

  
.....  
Mr P Noakes  
Trustee

  
.....  
Ms S Marooney  
Accounting Officer

---

**DURRINGTON MULTI ACADEMY TRUST**

**(A company limited by guarantee)**

---

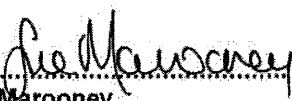
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

---

As Accounting Officer of Durrington Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the 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 2016.

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.

  
.....  
**Ms S Marooney**  
**Accounting Officer**

Date: 29 November 2017

---

**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)

---

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

---

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 29 November 2017 and signed on its behalf by:



**Mr P Noakes**  
Trustee



---

**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)

---

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
DURRINGTON MULTI ACADEMY TRUST**

---

**OPINION**

We have audited the financial statements of Durrington Multi Academy Trust for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Academy'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'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 and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

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

**BASIS OF OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

---

**DURRINGTON MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
DURRINGTON MULTI ACADEMY TRUST**

---

**OTHER INFORMATION**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

---

**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)

---

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
DURRINGTON MULTI ACADEMY TRUST**

---

**RESPONSIBILITIES OF TRUSTEES**

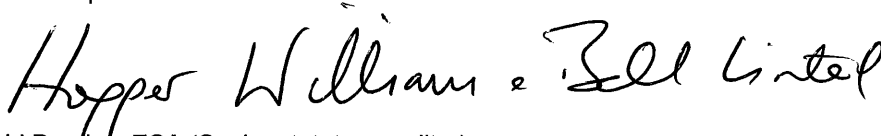
As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal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

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

**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](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's report.



David Brookes FCA (Senior statutory auditor)  
for and on behalf of

**Hopper Williams & Bell Limited**

Statutory Auditor

Highland House

Mayflower Close

Chandlers Ford

Eastleigh

Hampshire

SO53 4AR

Date:

19 Dec 2017

---

**DURRINGTON MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO  
DURRINGTON MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

---

In accordance with the terms of our engagement letter dated 4 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Durrington Multi Academy Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Durrington 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 Durrington 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 Durrington Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF DURRINGTON MULTI ACADEMY TRUST'S ACCOUNTING  
OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Durrington Multi Academy Trust's funding agreement with the Secretary of State for Education dated 1 April 2014, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure.

---

**DURRINGTON MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO  
DURRINGTON MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**  
**(continued)**

---

**SUMMARY OF WORK UNDERTAKEN**

We carried out the following:

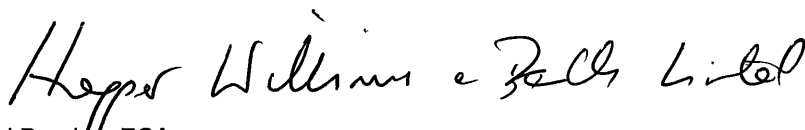
- planning of assurance procedures including identifying key risks;
- substantive testing including analytical review;
- concluding on procedures carried out.

Substantive testing included the following procedures:

- confirming that activities conform to the Academy's framework of authorities;
- considering the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- evaluating the general control environment of the Academy;
- testing a sample of transactions to consider whether the transaction is permissible within the Academy's framework of authorities;
- confirming whether any extra contractual payments have been made and whether appropriate authority was obtained;
- reviewing documentation for evidence of borrowing and confirming if approval was obtained from the ESFA;
- confirming whether ESFA approval was obtained for any disposals of assets;
- reviewing the internal control procedures relating to credit cards;
- reviewing for any indication of purchases for personal use by staff or officers;
- reviewing the list of suppliers to consider whether supplies are from related parties;
- considering whether income generating activities are permissible within the Academy's charitable objects;
- reviewing whether lettings to related parties are made at favourable rates.

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



David Brookes FCA

**Hopper Williams & Bell Limited**  
Statutory Auditor  
Highland House  
Mayflower Close  
Chandlers Ford  
Eastleigh  
Hampshire  
SO53 4AR

Date: 15 December 2017

**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	36,423	-	33,278	69,701	73,002
Charitable activities	3	-	8,787,927	-	8,787,927	8,911,696
Other trading activities	4	43,899	-	-	43,899	52,876
Investments	5	22,601	-	-	22,601	15,933
<b>TOTAL INCOME</b>		<b>102,923</b>	<b>8,787,927</b>	<b>33,278</b>	<b>8,924,128</b>	<b>9,053,507</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		-	8,086,238	612,887	8,699,125	8,553,770
<b>TOTAL EXPENDITURE</b>	6	<b>-</b>	<b>8,086,238</b>	<b>612,887</b>	<b>8,699,125</b>	<b>8,553,770</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>		<b>102,923</b>	<b>701,689</b>	<b>(579,609)</b>	<b>225,003</b>	<b>499,737</b>
Transfers between Funds	16	-	(45,927)	45,927	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>102,923</b>	<b>655,762</b>	<b>(533,682)</b>	<b>225,003</b>	<b>499,737</b>
Actuarial losses on defined benefit pension schemes	20	-	(136,000)	-	(136,000)	(562,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>102,923</b>	<b>519,762</b>	<b>(533,682)</b>	<b>89,003</b>	<b>(62,263)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		1,596,132	(386,603)	22,469,554	23,679,083	23,741,346
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>1,699,055</b>	<b>133,159</b>	<b>21,935,872</b>	<b>23,768,086</b>	<b>23,679,083</b>

The notes on pages 23 to 43 form part of these financial statements.

**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)  
REGISTERED NUMBER: 08895870

**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£	2017 £	2016 £
<b>FIXED ASSETS</b>				
Tangible assets	12		21,935,872	22,469,554
<b>CURRENT ASSETS</b>				
Debtors	13	316,074	196,858	
Investments	14	1,500,000	757,118	
Cash at bank and in hand		2,203,574	2,256,570	
		<u>4,019,648</u>	<u>3,210,546</u>	
<b>CREDITORS: amounts falling due within one year</b>	15	<u>(418,434)</u>	<u>(521,017)</u>	
<b>NET CURRENT ASSETS</b>			<u>3,601,214</u>	<u>2,689,529</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>25,537,086</u>	<u>25,159,083</u>
Defined benefit pension scheme liability	20		<u>(1,769,000)</u>	<u>(1,480,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>23,768,086</u></u>	<u><u>23,679,083</u></u>
<b>FUNDS OF THE ACADEMY</b>				
Restricted income funds:				
Restricted income funds	16	1,902,159	1,093,397	
Restricted fixed asset funds	16	21,935,872	22,469,554	
Restricted income funds excluding pension liability		<u>23,838,031</u>	<u>23,562,951</u>	
Pension reserve		<u>(1,769,000)</u>	<u>(1,480,000)</u>	
Total restricted income funds			<u>22,069,031</u>	<u>22,082,951</u>
Unrestricted income funds	16		<u>1,699,055</u>	<u>1,596,132</u>
<b>TOTAL FUNDS</b>			<u><u>23,768,086</u></u>	<u><u>23,679,083</u></u>

The financial statements on pages 20 to 43 were approved by the Trustees, and authorised for issue, on 29 November 2017 and are signed on their behalf, by:

  
Mr P Noakes  
Trustee

The notes on pages 23 to 43 form part of these financial statements.

**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	<u>769,091</u>	<u>973,903</u>
<b>Cash flows from investing activities:</b>			
Sale/(purchase) of short term unlisted investments		(742,882)	245,914
Purchase of tangible fixed assets		<u>(79,205)</u>	<u>(322,074)</u>
<b>Net cash used in investing activities</b>		<u>(822,087)</u>	<u>(76,160)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(52,996)</b>	<b>897,743</b>
Cash and cash equivalents brought forward		<u>2,256,570</u>	<u>1,358,827</u>
<b>Cash and cash equivalents carried forward</b>	19	<u><u>2,203,574</u></u>	<u><u>2,256,570</u></u>



---

**DURRINGTON MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Durrington Multi Academy Trust constitutes a public benefit entity as defined by FRS 102.

**1.2 Fund accounting**

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

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

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

---

**DURRINGTON MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

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

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

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

**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.

Expenditure on charitable activities are costs incurred on the Academy's educational operations, including support costs and those costs relating to the governance of the Academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

---

**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

**1. ACCOUNTING POLICIES (continued)**

**1.5 Going concern**

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

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised 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 incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold land	-	Not provided
Long-term leasehold property	-	Straight line basis over 50 years
Fixtures and fittings	-	20% on a straight line basis
Computer equipment	-	33% on a straight line basis

Long leasehold land has not been depreciated as it is similar to freehold land, which does not require depreciation.

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 incorporating income and expenditure account.

Included within Long-term leasehold property are modular buildings which are depreciated over 3 years.

---

**DURRINGTON MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**1. ACCOUNTING POLICIES (continued)**

**1.7 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities incorporating income and expenditure account.

**1.8 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

**1.9 Taxation**

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

**1.10 Debtors**

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

**1.11 Cash at Bank and in hand**

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

**1.12 Liabilities and provisions**

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

---

**DURRINGTON MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**1. ACCOUNTING POLICIES (continued)**

**1.13 Financial instruments**

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy 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 13. Prepayments are not financial instruments. Amounts due to the Academy'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 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or other financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

**1.14 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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

---

**DURRINGTON MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**1. ACCOUNTING POLICIES (continued)**

**1.15 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 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	36,423	-	-	36,423	44,769
Grants	-	-	33,278	33,278	28,233
	<u>36,423</u>	<u>-</u>	<u>33,278</u>	<u>69,701</u>	<u>73,002</u>
<i>Total 2016</i>	<u>44,769</u>	<u>-</u>	<u>28,233</u>	<u>73,002</u>	

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	8,219,482	8,219,482	8,295,708
DfE/ESFA other grants	-	366,659	366,659	353,393
	<u>-</u>	<u>8,586,141</u>	<u>8,586,141</u>	<u>8,649,101</u>
<b>Other government grants</b>				
Local authority grants	-	106,070	106,070	154,807
	<u>-</u>	<u>106,070</u>	<u>106,070</u>	<u>154,807</u>
<b>Other funding</b>				
Trip income	-	63,261	63,261	58,889
Other income	-	32,455	32,455	48,899
	<u>-</u>	<u>95,716</u>	<u>95,716</u>	<u>107,788</u>
	<u>-</u>	<u>8,787,927</u>	<u>8,787,927</u>	<u>8,911,696</u>
<i>Total 2016</i>	<u>-</u>	<u>8,911,696</u>	<u>8,911,696</u>	

**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings income	43,899	-	43,899	52,876
	<u>43,899</u>	<u>-</u>	<u>43,899</u>	<u>52,876</u>
<i>Total 2016</i>	<u>52,876</u>	<u>-</u>	<u>52,876</u>	

**5. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	22,601	-	22,601	15,933
	<u>22,601</u>	<u>-</u>	<u>22,601</u>	<u>15,933</u>
<i>Total 2016</i>	<u>15,933</u>	<u>-</u>	<u>15,933</u>	



**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**6. EXPENDITURE**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Academy's educational operations:					
Direct costs	5,354,446	-	534,029	5,888,475	5,858,026
Support costs	1,257,052	653,153	900,445	2,810,650	2,695,744
	<u>6,611,498</u>	<u>653,153</u>	<u>1,434,474</u>	<u>8,699,125</u>	<u>8,553,770</u>
Total 2016	<u>6,279,621</u>	<u>663,751</u>	<u>1,610,398</u>	<u>8,553,770</u>	

**7. ANALYSIS OF SUPPORT COSTS**

	Educational operations £	Total 2017 £	Total 2016 £
Technology costs	59,981	59,981	78,304
Premises costs	653,153	653,153	663,751
Governance costs	21,456	21,456	25,187
Other costs	210,386	210,386	263,412
Wages and salaries	879,310	879,310	700,604
National insurance	24,791	24,791	20,989
Pension cost	348,686	348,686	298,202
Depreciation	612,887	612,887	645,295
	<u>2,810,650</u>	<u>2,810,650</u>	<u>2,695,744</u>
At 31 August 2016	<u>2,695,744</u>	<u>2,695,744</u>	

**8. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	612,887	645,295
Auditors' remuneration - audit	7,250	7,040
Auditors' remuneration - other services	6,480	4,455
Operating lease rentals	<u>5,891</u>	<u>9,684</u>

**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**9. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	5,175,404	5,059,307
Social security costs	489,770	414,650
Operating costs of defined benefit pension schemes	942,059	805,664
	<u>6,607,233</u>	<u>6,279,621</u>
Apprenticeship levy	4,265	-
	<u>6,611,498</u>	<u>6,279,621</u>

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

	2017 No.	2016 No.
Teachers	100	95
Administration and support	77	75
Management	9	9
	<u>186</u>	<u>179</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	2	2
In the band £150,001 - £160,000	1	1

The key management personnel of the academy trust comprise the senior management team as listed on page 2. The total amount of staff costs in respect of key management personnel was £778,686 (2016: £787,281).

**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**10. 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:

		<b>2017</b>	<b>2016</b>
		<b>£'000</b>	<b>£'000</b>
S Marooney (Headteacher DHS/CEO	Remuneration	<b>155-150</b>	<b>155-160</b>
DMAT and trustee)	Pension contributions paid	<b>25-30</b>	<b>20-25</b>
G Christie-Firth (staff trustee)	Remuneration	<b>45-50</b>	<b>45-50</b>
	Pension contributions paid	<b>5-10</b>	<b>5-10</b>
S Dedman (staff trustee)	Remuneration	<b>45-50</b>	<b>45-50</b>
	Pension contributions paid	<b>5-10</b>	<b>5-10</b>

During the year, travel and subsistence expenses totalling £260 were reimbursed or paid directly to three trustees (2016: £383).

**11. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £292 (2016 - £2,405).

**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**12. TANGIBLE FIXED ASSETS**

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2016	22,827,867	463,910	371,966	23,663,743
Additions	37,266	15,201	26,738	79,205
At 31 August 2017	22,865,133	479,111	398,704	23,742,948
<b>Depreciation</b>				
At 1 September 2016	794,097	153,348	246,744	1,194,189
Charge for the year	453,301	93,434	66,152	612,887
At 31 August 2017	1,247,398	246,782	312,896	1,807,076
<b>Net book value</b>				
At 31 August 2017	21,617,735	232,329	85,808	21,935,872
At 31 August 2016	22,033,770	310,562	125,222	22,469,554

**13. DEBTORS**

	2017 £	2016 £
Trade debtors	21,645	896
Other debtors	141,907	127,863
Prepayments and accrued income	152,522	68,099
	<u>316,074</u>	<u>196,858</u>

**14. CURRENT ASSET INVESTMENTS**

	2017 £	2016 £
Short term deposits	<u>1,500,000</u>	<u>757,118</u>

**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**15. CREDITORS: Amounts falling due within one year**

	2017 £	2016 £
Trade creditors	69,030	105,153
Other taxation and social security	128,982	123,798
Other creditors	106,156	200,221
Accruals and deferred income	114,266	91,845
	<u>418,434</u>	<u>521,017</u>
	2017 £	2016 £
<b>Deferred income</b>		
Deferred income at 1 September 2016	73,086	76,975
Resources deferred during the year	56,319	73,086
Amounts released from previous years	(73,086)	(76,975)
Deferred income at 31 August 2017	<u>56,319</u>	<u>73,086</u>

Income was deferred at the year-end in respect of trip income and grant funding which relates to the forthcoming year.

**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**16. STATEMENT OF FUNDS**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
General funds	166,624	102,923	-	-	-	269,547
Surplus on conversion	433,175	-	-	-	-	433,175
Surplus on conversion - Specific projects	996,333	-	-	-	-	996,333
	<u>1,596,132</u>	<u>102,923</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,699,055</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	1,093,397	8,219,482	(7,364,793)	(45,927)	-	1,902,159
Pupil premium	-	366,659	(366,659)	-	-	-
Local authority grants	-	106,070	(106,070)	-	-	-
Other educational activities	-	95,716	(95,716)	-	-	-
Pension reserve	(1,480,000)	-	(153,000)	-	(136,000)	(1,769,000)
	<u>(386,603)</u>	<u>8,787,927</u>	<u>(8,086,238)</u>	<u>(45,927)</u>	<u>(136,000)</u>	<u>133,159</u>
<b>Restricted fixed asset funds</b>						
Fixed asset fund	22,469,554	-	(612,887)	79,205	-	21,935,872
DfE/ESFA capital grant	-	33,278	-	(33,278)	-	-
	<u>22,469,554</u>	<u>33,278</u>	<u>(612,887)</u>	<u>45,927</u>	<u>-</u>	<u>21,935,872</u>
Total restricted funds	<u>22,082,951</u>	<u>8,821,205</u>	<u>(8,699,125)</u>	<u>-</u>	<u>(136,000)</u>	<u>22,069,031</u>
Total of funds	<u>23,679,083</u>	<u>8,924,128</u>	<u>(8,699,125)</u>	<u>-</u>	<u>(136,000)</u>	<u>23,768,086</u>

**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**16. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	<i>Balance at 1 September 2015 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2016 £</i>
<b>Unrestricted funds</b>						
General funds	53,046	113,578	-	-	-	166,624
Surplus on conversion	433,175	-	-	-	-	433,175
Surplus on conversion - Specific projects	996,333	-	-	-	-	996,333
	<u>1,482,554</u>	<u>113,578</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,596,132</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	312,017	8,295,708	(7,220,487)	(293,841)	-	1,093,397
Pupil premium	-	353,393	(353,393)	-	-	-
Local authority grants	-	154,807	(154,807)	-	-	-
Other educational activities	-	107,788	(107,788)	-	-	-
Pension reserve	(846,000)	-	(72,000)	-	(562,000)	(1,480,000)
	<u>(533,983)</u>	<u>8,911,696</u>	<u>(7,908,475)</u>	<u>(293,841)</u>	<u>(562,000)</u>	<u>(386,603)</u>
<b>Restricted fixed asset funds</b>						
Fixed asset fund	22,792,775	-	(645,295)	322,074	-	22,469,554
DfE/ESFA capital grant	-	28,233	-	(28,233)	-	-
	<u>22,792,775</u>	<u>28,233</u>	<u>(645,295)</u>	<u>293,841</u>	<u>-</u>	<u>22,469,554</u>
Total restricted funds	<u>22,258,792</u>	<u>8,939,929</u>	<u>(8,553,770)</u>	<u>-</u>	<u>(562,000)</u>	<u>22,082,951</u>
Total of funds	<u>23,741,346</u>	<u>9,053,507</u>	<u>(8,553,770)</u>	<u>-</u>	<u>(562,000)</u>	<u>23,679,083</u>

**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**16. STATEMENT OF FUNDS (continued)**

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

**General annual grant**

This includes all funding received from the ESFA to carry out the objectives of the academy. It includes the school budget share, minimum funding guarantee, education services grant, insurance, rates, and pre-16 high need funding streams.

**Pupil premium**

This is funding received from the ESFA for specific purposes.

**Other educational activities**

This includes all other educational income/expenditure.

**Pension reserve**

This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the academy on conversion.

**Fixed asset fund**

The fund includes the value of the tangible fixed assets of the academy on conversion, and amounts transferred from GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

**DfE/ESFA capital grants**

This is money received from the DfE/ESFA specifically for expenditure on tangible fixed assets.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	21,935,872	21,935,872
Current assets	1,699,055	2,320,593	-	4,019,648
Creditors due within one year	-	(418,434)	-	(418,434)
Pension reserve	-	(1,769,000)	-	(1,769,000)
	<u>1,699,055</u>	<u>133,159</u>	<u>21,935,872</u>	<u>23,768,086</u>



**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2016	2016	2016	2016
	£	£	£	£
Tangible fixed assets	-	-	22,469,554	22,469,554
Current assets	1,596,132	1,614,414	-	3,210,546
Creditors due within one year	-	(521,017)	-	(521,017)
Pension reserve	-	(1,480,000)	-	(1,480,000)
	<u>1,596,132</u>	<u>(386,603)</u>	<u>22,469,554</u>	<u>23,679,083</u>

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

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	225,003	499,737
<b>Adjustment for:</b>		
Depreciation charges	612,887	645,295
Increase in debtors	(119,216)	(2,029)
Decrease in creditors	(102,583)	(241,100)
Defined benefit pension scheme cost less contributions payable	153,000	72,000
<b>Net cash provided by operating activities</b>	<u>769,091</u>	<u>973,903</u>

**19. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2017 £	2016 £
Cash in hand	139	437
Notice deposits (less than 3 months)	2,203,435	2,256,133
<b>Total</b>	<u>2,203,574</u>	<u>2,256,570</u>

---

**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

**20. PENSION COMMITMENTS**

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Sussex County Council. 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 £104,632 were payable to the schemes at 31 August 2017 (2016 - £98,509) 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 (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. 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.

**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**20. PENSION COMMITMENTS (continued)**

The employer's pension costs paid to TPS in the period amounted to £562,525 (2016 - £527,153).

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](http://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 2017 was £371,000 (2016 - £325,000), of which employer's contributions totalled £305,000 (2016 - £260,000) and employees' contributions totalled £66,000 (2016 - £65,000). The agreed contribution rates for future years are 13.1% for employers and between 5.5% and 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.

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Rate of increase in salaries	3.10 %	3.60 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	23.6	24.4
Females	25.0	25.8
Retiring in 20 years		
Males	26.0	26.9
Females	27.8	28.5

	At 31 August 2017 £	At 31 August 2016 £
<b>Sensitivity analysis</b>		
Discount rate -0.5%	5,457,000	4,393,000
Salary increase rate +0.5%	4,974,000	4,079,000
Pension increase rate +0.5%	5,312,000	4,236,000

**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**20. PENSION COMMITMENTS (continued)**

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

	<b>Fair value at 31 August 2017 £</b>	<i>Fair value at 31 August 2016 £</i>
Equities	1,591,000	1,783,000
Bonds	1,132,000	391,000
Property	245,000	195,000
Cash and other liquid assets	92,000	73,000
Total market value of assets	<u>3,060,000</u>	<u>2,442,000</u>

The actual return on scheme assets was £294,000 (2016 - £419,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	<b>2017 £</b>	<i>2016 £</i>
Current service cost	(426,000)	(299,000)
Admin expenses	(32,000)	(33,000)
Total	<u>(458,000)</u>	<u>(332,000)</u>

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

	<b>2017 £</b>	<i>2016 £</i>
Opening defined benefit obligation	3,922,000	2,544,000
Current service cost	426,000	299,000
Interest cost	87,000	104,000
Employee contributions	66,000	65,000
Actuarial losses	375,000	910,000
Benefits paid	(47,000)	-
Closing defined benefit obligation	<u>4,829,000</u>	<u>3,922,000</u>

**DURRINGTON MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**20. PENSION COMMITMENTS (continued)**

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

	2017 £	2016 £
Opening fair value of scheme assets	2,442,000	1,698,000
Interest income	55,000	71,000
Actuarial losses	239,000	348,000
Employer contributions	305,000	260,000
Employee contributions	66,000	65,000
Benefits paid	(47,000)	-
	<u>3,060,000</u>	<u>2,442,000</u>
Closing fair value of scheme assets	<u>3,060,000</u>	<u>2,442,000</u>

**21. OPERATING LEASE COMMITMENTS**

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

	2017 £	2016 £
<b>Amounts payable:</b>		
Within 1 year	5,891	8,090
Between 1 and 5 years	3,417	9,307
Total	<u>9,308</u>	<u>17,397</u>

**22. RELATED PARTY TRANSACTIONS**

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

**23. 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.